

**ENERGY AND WATER DEVELOPMENT
APPROPRIATIONS FOR FISCAL YEAR 2015**

WEDNESDAY, APRIL 2, 2014

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:33 p.m., in room SD-192, Dirksen Senate Office Building, Hon. Dianne Feinstein (chairman) presiding.

Present: Senators Feinstein, Landrieu, Tester, Alexander, Cochran, and Graham.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

**STATEMENT OF HON. JO-ELLEN DARCY, ASSISTANT SECRETARY OF
THE ARMY (CIVIL WORKS)**

**ACCOMPANIED BY HON. THOMAS P. BOSTICK, LIEUTENANT GENERAL,
COMMANDING GENERAL AND CHIEF OF ENGINEERS**

OPENING STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Good afternoon, ladies and gentlemen, and welcome to the Energy and Water Subcommittee's Oversight Hearing of the fiscal year 2015 budget request from the Bureau of Reclamation and the United States Army Corps of Engineers.

Our witnesses today include Assistant Secretary for Water and Science for the Department of Interior, Anne Castle; Lowell Pimley, the Acting Commissioner for the Bureau of Reclamation; Jo-Ellen Darcy, Assistant Secretary of the Army for Civil Works; and Lieutenant General Thomas Bostick, Chief of Engineers for the United States Army Corps of Engineers, I think a division of the military of which both the ranking member and I are very proud and very grateful for your service.

Before we get started, I just want to take a moment to comment on the release of the Corps' detailed budget justifications. The budget was released on March 4. The completed detailed budget justifications for the Corps were not available until today.

So it is very difficult for us to conduct an oversight hearing without those details. So I just want to say, as far as fiscal year 2016 is concerned, I would like to please receive the assurance that these budget details will be received concurrently with the release of the President's budget.

Madam Secretary, I hope you will agree to that.

Ms. DARCY. Yes, ma'am.

Senator FEINSTEIN. Thank you.

I am a big fan of both of your agencies and the work you do across the Nation and, of course, particularly in California. Former Commissioner Mike Connor and I had a great working relationship. I believe he did with the ranking member as well. And I look forward to working with him in his new position as Deputy Secretary for the Interior Department.

The Corps is our only nationwide provider of infrastructure, and we depend on them for emergency response and recovery from floods and other natural disasters. From an investment of just around \$5 billion annually, the Corps provides tangible benefits of about \$55 billion annually. Now, that is not according to us, who like them. It is according to OMB's (Office of Management and Budget) conservative metrics. So the return on the investment is substantial.

Just as importantly, and particularly so in California, is the work undertaken by the Bureau of Reclamation. They are the largest water supplier and manager of water in the West. Reclamation delivers water to one in five western farmers, irrigating 10 million acres of some of the most productive agricultural land in the world. And Reclamation provides water to 31 million people for municipal, rural, and industrial uses.

So, in my opinion, the budget requests for both of your agencies are really inadequate to meet our Nation's vital infrastructure needs. The Corps budget is \$4.5 billion. It is the lowest budget request for the Corps of Engineers since fiscal year 2006. And it is shocking to me, candidly.

The fiscal year 2015 request is down over \$930 million, or 17 percent, from the fiscal year 2014 enacted amount, which was signed into law by the President just 75 days ago. For fiscal year 2015, the budget proposes only \$1.1 billion for the Corps' construction of water infrastructure projects. That is the lowest administration proposal for construction since fiscal year 1999.

Now, I was just talking to somebody from Chico, California, and they had a tornado. Never had tornadoes before. Who knows what is happening with weather and hurricanes and damages that are done. So we have our job, members, ahead of us—you are not listening—

Senator ALEXANDER. Oh, I am.

Senator FEINSTEIN [continuing]. To try to see if we can plus some of this up in some way because I very much believe that the need is there.

Reclamation's budget is not cut as severely as the Corps. It is down \$70 million, or 6 percent, from 2014 levels.

Federal investments in our water resource infrastructure I believe are key to providing better protection to our citizens and mitigating the damages from natural disasters. We know it is much cheaper to design and construct projects in a reasoned, thoughtful manner before a disaster occurs than to react after its aftermath. If we don't invest more in our water resources today, we are going to be forced to spend more in recovery efforts following massive natural disasters tomorrow.

So I look forward to hearing more from our witnesses. But right now, I would like to turn to my very distinguished partner on this bill, our ranking member, Senator Lamar Alexander.

STATEMENT OF SENATOR LAMAR ALEXANDER

Senator ALEXANDER. Thank you, Madam Chairman. I look forward to working with you.

And welcome, Secretary Darcy and General Bostick. Good to see you both again. Secretary Castle, Commissioner Pimley, good to have you here. Thank you for coming.

I want to thank the chairman for holding the hearing, and I want to start by thanking Secretary Darcy and General Bostick of the Nashville District of the Corps for the outstanding job they did working with the U.S. Fish and Wildlife Service on the water levels at Lake Cumberland.

We got the dam fixed, and then we found this fish and it threatened to slow things down in getting the water level back up. It is going to be back up, I understand, before the April 14 Lake Cumberland bass fishing tournament. That is not important to some people, but it is to others.

And I would like for you to know that the people of Kentucky and Tennessee appreciate very much the fact that you worked on an accelerated schedule to get the water level back up toward where it needs to be, and we thank you very much for that, as well as for the good job of repairing the dam. This is something we have looked forward to for quite a while.

I agree, the chairman has already made the point, it is hard to have a hearing without the budget and to only get it on the day—get the details only the day before is not helpful. I look forward to what you have to say.

Let me mention four priorities I have, briefly. Restarting Chickamauga Lock construction; two, increased funding for ports generally; three, fully dredging the Port of Memphis; and four, making sure that Corps regulations aren't unnecessarily burdensome to American business, including our farmers.

First, on Chickamauga Lock. We have talked here about how important it is to Oak Ridge Lab, to power plants, TVA (Tennessee Valley Authority) power plants, to chemical businesses, to countless other businesses in East Tennessee about the number of big trucks it keeps off our highways. And we have been working with you to try to create an environment in which you will have two things.

One is an agreed-upon list of projects so you don't get pulled and pushed quite as much by Members of Congress and, second, enough money to do the projects. And last year, we increased funding for inland navigation by \$81 million by changing the funding formula for Olmsted Lock for 1 year.

We have been working to increase funding for inland navigation by permanently changing the cost share for Olmsted, and of course, that new capital development plan should create a more orderly way to deal with the various projects. And I am pleased to see that under that plan, Chickamauga Lock ranks fourth for funding and is a part of the Water Resources Development Act reauthorization.

I want to work with General Bostick and Secretary Darcy to make sure the cost share is made permanent and that your follow-

through with lock construction is included in the capital development plan.

Second, it is no secret that we collect more money for the harbor maintenance fee than we spend each year on port and harbor maintenance. Last fiscal year, we collected almost \$1.6 billion in fees and only spent \$844 million of it. We talked together in a bipartisan way, and with you and with industry, and have come to a 6-year agreement to try to cause the amount of money we collect to equal the amount of money we spend, and we made the appropriate progress toward that last year.

I would like to keep making progress toward that. If we collect the money for ports, we should spend the money for ports. It is not right to do it any other way.

Third, the Port of Memphis has at least \$4 million in dredging work that needs to be done. Yet the President's budget request only includes \$1.1 million. Port of Memphis is home to manufacturing of steel and household appliances, agricultural exports, oil refining, and a TVA power plant. Supporting the transportation of these things is in our Government's interest if we want to have a strong economy. And I hope that is a priority.

And finally, I am troubled by the recent rulemaking the Corps has entered into with the EPA, the Environmental Protection Agency, which changes the definition of waters of the United States in an attempt to expand the regulatory authority of the EPA. I am hearing a lot about that from farmers in my State. They are afraid the rule will mean that farm ponds, even man-made ponds as well as drainage ditches, will be regulated.

Many acres of farmland in Tennessee have historically been farmed as a result of man-made drainage ditches. That now would be subject to the clean water regulation. This will require at least a burdensome permitting process, may end up with the farmers in court.

Our General Assembly in Tennessee in 2009 clarified that field drainage ditches are not regulated waters. A lot of time and effort was devoted to that, and we hope that is respected by the Federal Government. Not to do that would be the kind of agency overreach that Members of both parties do not agree with, and it over-politicizes the work of the subcommittee.

So, again, I will end where I started. Thank you for your good work on Lake Cumberland. I look forward to working with you on your budget, and especially on the four priorities that I outlined.

Thank you, Madam Chairman.

Senator FEINSTEIN. And I thank you, Senator.

Senator Landrieu, do you have an opening statement?

Senator LANDRIEU. I do. Thank you, Madam Chair.

Senator FEINSTEIN. Oh, I beg your pardon.

Senator LANDRIEU. I am sorry. Senator Cochran.

Senator FEINSTEIN. Senator Cochran, you are so quiet. I didn't see you. If you would like to make a brief opening statement, please go ahead.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Madam Chair, thank you very much. And thank you for scheduling and chairing this hearing to review the

President's budget request for 2015 year, fiscal year funding, which is requested for the U.S. Army Corps of Engineers and the U.S. Department of Interior.

The funding recommended to be appropriated by our committee will be used to support dredging of ports, flood control, and other very important construction and maintenance projects. The Mississippi River and Gulf of Mexico provide great economic benefits with respect to water-borne transportation. They provide access to foreign markets and access to the most fertile soils in the world—in the Mississippi Delta.

With those great benefits come responsibilities and risks, and we need to be sure that we are providing support for the Army Corps of Engineers to do its duty and carry out its responsibilities in providing flood control protection and other essential elements of this project. We provide support for those activities, and we look forward to hearing the specific recommendations that you will be making and trying to make decisions that are consistent with these very important national interests.

Thank you.

Senator FEINSTEIN. Thank you, Senator Cochran.

Senator Landrieu.

STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Thank you. Yes. Senator Feinstein, thank you for your leadership. And I will try to be brief and put some of my remarks into the record.

But as you all know, the Society of Civil Engineers has given our inland waterway infrastructure system a D-minus in their 2013 report card. Yet the budget that we are reviewing today with the Army Corps of Engineers, this amount represents the smallest percentage of the Federal budget in more than 200-year history of the Army Corps. It is a 17-percent decrease from last year's budget. It is woefully inadequate.

Now Senator Feinstein and the ranking member and the members say this every year. The chairman has tried to work to bring additional resources and was successful last year in identifying some additional resources for this budget. But we are starting way behind the eight ball at this meeting.

Louisiana and the Gulf Coast could literally allocate the entire budget in just projects that we have that are authorized and that are literally shovel-ready, ready to go, just America's energy coast: Louisiana, Mississippi, parts of Alabama, not even counting Texas. We have, for instance, the Port of Lake Charles, Madam Chair, has attracted somewhere between \$40—I will be conservative—\$40 billion to \$60 billion in private investment. Private investment. And we can't find enough money to dredge the shipping channel that supports this private investment.

I know that you have read about what the Houston shipping channel looks like. They just had an accident there last week. Somebody described it as—one of the reporters—it is like playing chicken in the Houston shipping channel, their locks and dams, et cetera.

So if this committee last year, because of the chairman's leadership, allocated an additional \$10 million over this budget. We found

\$750 million in unallocated funds that we were able to provide to you all to help. But we have got to step up in some way and find some additional funding.

Finally, this committee upped the President's request for Harbor Maintenance Trust Fund last year from \$890 million to \$1 billion. While this year it is \$915 million request, it is well short of the \$1.8 billion that was collected last year in the Harbor—I am sorry—billion. I am sorry, \$1.8 billion.

Senator Alexander has been hard at work with Senator Feinstein on that, but we have got to step up our maintenance in our waterways. It is a very important part of our national economy. It affects every State. And unlike highways that seem to get a lot of attention and unlike railways that seem to get a lot of attention, our waterways are woefully underfunded, and it is hurting the economy and restricting the economic growth of our country.

So I look forward, as a member of this committee, to trying to find additional resources to allocate to some of these priorities. And I thank the chairman for holding this hearing.

Senator FEINSTEIN. Thank you very much, Senator.

And who would like to go first? I would urge you to keep your—we have your written comments—keep your remarks as short as you wish so that we can have some time for questions. One of the secretaries. Secretary Darcy, please proceed.

SUMMARY STATEMENT OF HON. JO-ELLEN DARCY

Ms. DARCY. How about I go first?

Thank you, Chairman Feinstein and distinguished members of the subcommittee. Thank you for the opportunity to present the President's budget for the Civil Works Program of the Army Corps of Engineers for fiscal year 2015.

This budget for 2015 for the Civil Works Program provides a fiscally prudent and a sound level of Federal investment in the Nation's water resources. The President's 2015 budget includes \$4.561 billion in gross discretionary appropriations for the Army Civil Works Program offset by a \$28 million cancellation of unobligated carry-in to fiscal year 2015; a total of nine construction projects, three of which are navigation, four are flood risk management, and two are aquatic ecosystem restoration projects; 28 studies as well as six designs are funded to completion in this budget.

Completed construction projects will result in immediate benefits to the Nation and directly impact many local communities as benefits are realized from the combined Federal and non-Federal investments. The civil works budget includes funding for one priority construction new start and 10 new study starts in the investigations account, including the water resources priority study, which will build on and broaden the progress that is being made in the Corps' North Atlantic Coast Comprehensive Study, which is funded under the Sandy supplemental bill.

At a funding level of \$915 million, the budget provides for the third consecutive year the highest amount ever proposed in a President's budget for work financed through the Harbor Maintenance Trust Fund in order to maintain our coastal channels and for related works in those channels.

The budget funds capital investments in the inland waterways based on the estimated revenues in the Inland Waterways Trust Fund under current law. However, the budget also assumes enactment of the legislative proposal submitted to the Joint Select Committee on Deficit Reduction in 2011, which would reform the laws governing the Inland Waterways Trust Fund.

The Administration's proposal would generate approximately \$1.1 billion in additional revenue over 10 years from the commercial users of these inland waterways. This amount reflects estimates of future capital investment for navigation on these waterways over the next decade, including an estimate adopted by the Inland Waterways Users Board. The proposal is needed in order to ensure that the revenue paid by commercial navigation users is sufficient to meet their share of the costs of capital investments on the inland waterways, which would enable a significant increase in funding for such investments in the future.

The budget provides \$398 million for dam and levee safety activities, including \$38 million to continue the levee safety initiative, which involves an assessment of the conditions of Federal levees.

In continued support for the President's Veterans Job Corps, the budget includes \$4.5 million to continue the Veterans Curation Project, which provides vocational rehabilitation and innovative training for wounded and disabled veterans while achieving historic preservation responsibilities for archeological collections administered by the Corps of Engineers.

PREPARED STATEMENT

In summary, the 2015 budget for the Army Civil Works Program is a performance-based budget that supports an appropriate level of Federal funding for continued progress with emphasis on those water resources investments that will yield high economic, environmental, and safety returns for the Nation and its citizens. These investments will contribute to a stronger economy, support waterborne transportation, reduce flood risks to businesses and homes, restore important ecosystems, provide low-cost renewable hydropower, and deliver other benefits to the American people.

Chairman Feinstein and members of the subcommittee, I look forward to working with you in support of the President's budget. Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. JO-ELLEN DARCY

Madam Chairman and distinguished members of the subcommittee, thank you for the opportunity to present the President's budget for the Civil Works program of the Army Corps of Engineers for fiscal year 2015.

OVERVIEW

The fiscal year 2015 budget for the Civil Works program reflects the Administration's priorities through targeted investments to develop, manage, and restore water resources. Commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration are the primary mission areas of the Army Civil Works program. The budget also supports related efforts at existing projects owned or operated by the Corps (hydropower, recreation, environmental stewardship, and water supply storage); as well as emergency preparedness and training to respond to natural disasters, the regulatory program, and the restoration of certain sites contaminated as a result of the Nation's early efforts to develop atomic weapons. These in-

vestments will contribute to a stronger economy, improve reliability of waterborne transportation, reduce flood risks to businesses and homes, increase public safety, protect and restore aquatic ecosystems affected by water resources development, and support American jobs.

The primary objectives of the budget are as follows:

- Focus funding on water resources investments that will yield high economic and environmental returns or address a significant risk to public safety, including investing in restoring significant aquatic ecosystems to help promote their ecological sustainability and resilience.
- Support commercial navigation through investments in maintenance and related activities at the most heavily used coastal ports and inland waterways in the Nation.
- Increase the organizational efficiency and improve the management, oversight, and performance of ongoing programs.

FISCAL YEAR 2015 DISCRETIONARY FUNDING LEVEL

The budget for fiscal year 2015 for the Civil Works program provides a fiscally prudent and sound level of Federal investment in the Nation's water resources.

In keeping with the Administration's commitment to continue to invest in those efforts that are a priority for the Nation, while putting the country on a sustainable fiscal path, the budget includes \$4.561 billion in gross discretionary appropriations for the Army Civil Works program offset by a \$28 million cancellation of unobligated carry-in to fiscal year 2015, including funds previously earmarked for particular programs, projects, or activities. This gross funding level represents the amount of new Federal discretionary resources that would be available to the Civil Works program.

Within the \$4.561 billion recommended appropriations, \$1.125 billion is for projects in the Construction account, and \$2.6 billion is for activities funded in the Operation and Maintenance account. The budget also includes \$80 million for Investigations; \$245 million for Mississippi River and Tributaries; \$28 million for Flood Control and Coastal Emergencies; \$200 million for the Regulatory Program; \$100 million for the Formerly Utilized Sites Remedial Action Program; \$178 million for the Expenses account; and \$5 million for the Office of the Assistant Secretary of the Army for Civil Works. Attachment 1 shows this funding by account and program area.

[The attachment follows:]

ATTACHMENT 1—FISCAL YEAR 2015 BUDGET—BUSINESS LINE/ACCOUNT CROSS-WALK
 [In millions of dollars]

Business Lines	Funding Categories										TOTAL		
	I	C	O&M	MR&T			TOTAL MR&T	FUSRAP	FCCE	REG		E	OASA (CW)
				I	C	O&M							
Flood and Coastal Storm Damage Reduction	37	548	567	10	55	105	169						1,321
Coastal	4		14										18
Inland	33	548	553	10	55	105	170						1,304
Hydropower		2	209										211
Navigation	22	277	1,487		8	31	39						1,825
Coastal	17	97	875			2	2						991
Inland	5	180	612		8	29	37						834
Environment													
Aquatic Ecosystem Restoration	21	298	15		2		2						337
Stewardship			74			5	5						78
FUSRAP								100					100
Regulatory									200				200
Recreation			236			11	11						247
Emergency Management (incl. NEPP)			4						28				32
Water Supply			7		19		19				178		26
Expenses	<1												178
OASA(CW)											5		5
TOTAL	80	1,125	2,588				245	100	200	28	178	5	4,561

I=Investigations; C=Construction; O&M=Operation and Maintenance; MR&T=Flood Control, Mississippi River and Tributaries; FUSRAP=Formerly Utilized Sites Remedial Action Program; FCCE=Flood Control and Coastal Emergencies; REG=Regulatory Program; NEPP=National Emergency Preparedness Program; E=Expenses; OASA(CW)=Office of the Assistant Secretary of the Army for Civil Works.

A total of nine construction projects (three navigation projects, four flood risk management projects, and two aquatic ecosystem restoration projects), 28 studies, and 6 designs are funded to completion in the budget. Completed construction projects will result in immediate benefits to the Nation and directly impact many local communities as benefits are realized from the combined Federal and non-Federal investments.

BUDGET CRITERIA

The fiscal year 2015 budget continues the Army's commitment to a performance-based approach to budgeting to provide the best overall return for the Nation in achieving economic, environmental, and public safety objectives. Competing investment opportunities for studies, design, construction, and operation and maintenance were evaluated using objective performance metrics, which guided the allocation of funds.

Within the Investigations account, deciding which studies to pursue can be a challenge. The Corps must use its professional judgment in these situations. Generally, funding is allocated to those studies that appear the most promising based on the potential for high economic, environmental, and safety returns to the Nation; and have an active local sponsor. Under the SMART Planning initiative, to be eligible for funding the Corps (the District, Division, and Headquarters) must also have reached agreement with the local sponsor on the scope, cost, and schedule of the study. This improvement to the planning process is helping to bring studies to a conclusion sooner and with less money without compromising the quality of the analyses.

NEW INVESTMENTS IN FISCAL YEAR 2015

The Civil Works budget includes \$10 million to start construction of a nationally significant aquatic ecosystem restoration effort, the Louisiana Coastal Area Ecosystem Restoration program. This program, authorized in the Water Resources Development Act of 2007, is needed to restore habitat while reducing the risk of damage to coastal Louisiana from storm driven waves and tides, and complements the ongoing Federal effort under the Coastal Wetlands Planning, Protection, and Restoration Act. The Administration is committed to restoration of the Gulf Coast, and starting construction on this program serves as an important step in fulfilling that commitment.

The budget also includes funding for 11 new study starts in the Investigations account. Two of these studies support efforts to encourage States and communities to assume responsibility for the development, management, restoration, and protection of water resources. Those studies focus on the disposition of locks that are no longer being used for commercial navigation, or have very little commercial navigation; these studies are the Allegheny River Disposition study in Pennsylvania and the Kentucky River Locks 1-4 Disposition in Kentucky.

Three additional studies are focused on deep draft navigation improvements—Manatee Harbor, Florida; New Haven Harbor Deepening, Connecticut; and San Juan Harbor Navigation Improvements, Puerto Rico. The principal criterion used to select these studies was the anticipated economic return to the Nation.

Three studies are focused on flood risk management—Du Page River, Illinois; Fairfield and New Haven Counties, Connecticut; and Short Creek and Wheeling Creek, Ohio. The principal criteria used to select these studies were the population affected, the condition of the flood damage reduction measures that currently exist, and the potential consequence of a flood event.

One new aquatic ecosystem restoration study—Salton Sea Restoration, California—will examine the potential for a project of environmental improvements to the Salton Sea.

Finally, the budget again includes funding for the Water Resources Priorities Study. This study would assess the Nation's vulnerability to inland and coastal flooding; compare the flood risks faced by different regions of the United States; evaluate the effectiveness of current approaches to reducing these risks in different settings at the Federal, State, and local levels; and develop recommendations to improve existing programs to save lives, and reduce flood losses and associated recovery costs nationwide, in ways that will also promote the long-term sustainability of communities and ecosystems. In short, it would improve our understanding of why flood costs are increasing so dramatically and identify better ways for the Nation to address these risks. This is not being proposed as a study leading to a new project, and thus should not be subject to any potential limitation on new starts. Rather, this study will build on, and broaden, progress being made by the Corps

in its North Atlantic Coast Comprehensive Study under the Disaster Relief Appropriations Act of 2013, Public Law 112-3, and is a logical next step to that effort.

NAVIGATION

The budget includes \$1.825 billion in support of global and domestic waterborne transportation, with emphasis on the coastal ports and inland waterways that support the greatest national economic activity.

The Cleveland Harbor (Dike Raise), Ohio; New York and New Jersey Harbor, New York and New Jersey; and Texas City Channel (50-Foot Project), Texas Dredged Material Placement Facility projects are all funded to completion in fiscal year 2015.

At a funding level of \$915 million, the budget provides, for the third consecutive year, the highest amount ever proposed in a President's budget for work financed from the Harbor Maintenance Trust Fund to maintain coastal channels and for related work. The fiscal year 2015 budget includes \$595 million for the operation and maintenance of inland waterways.

Overall, the total number of lock closures due to mechanical failures at main chamber locks on the high and moderate commercial use inland waterways has decreased, in both fiscal year 2012 and fiscal year 2013.

For the operation and maintenance of navigation projects with a low level of commercial use (coastal and inland combined), the budget provides \$113 million. Starting in 2012, the Corps modified the levels of service for certain inland waterways locks. This has resulted in reduced operating costs and the Corps is using these savings for work on these waterways or other inland waterways.

The budget continues to include funding in both the Investigations and Construction accounts on proposals to deepen and widen channels at several of our coastal ports to accommodate post-Panamax vessels with deeper drafts. Within the Investigations account, funding is included to complete feasibility studies for Charleston Harbor, South Carolina and Wilmington Harbor, North Carolina; continue design efforts at Boston Harbor, Massachusetts, Savannah Harbor, Georgia, and Freeport Harbor, Texas; and to complete design efforts at Jacksonville Harbor, Florida. Within the Construction account, funding is included to continue construction of a new dredged material placement facility at Charleston Harbor, North Carolina.

The budget includes \$160 million for Olmsted Lock and Dam, Illinois, of which \$80 million would be derived from the Inland Waterways Trust Fund. The budget does not support a reduction in the portion of the costs of this project financed from this trust fund. The budget also includes \$9 million for ongoing work to address dam safety issues at Locks and Dams 2, 3, 4, Monongahela River, Pennsylvania, of which \$4.5 million would be derived from the Inland Waterways Trust Fund.

The budget funds capital investments in the inland waterways based on the estimated revenues to the Inland Waterways Trust Fund under current law. However, the budget also assumes enactment of the legislative proposal submitted to the Joint Select Committee on Deficit Reduction in 2011, which would reform the laws governing the Inland Waterways Trust Fund, including an annual per vessel fee to increase the amount paid by commercial navigation users of the inland waterways sufficiently to meet their 50-percent share of the capital investments that the Army Corps of Engineers incurs on their behalf. The revenue from this user fee would supplement the revenue from the existing excise tax on liquids used as fuel in commercial transportation on the inland waterways.

The Administration's proposal would generate an estimated \$1.1 billion in additional revenue over 10 years from the commercial users of these inland waterways. This amount reflects estimates of future capital investment for navigation on these waterways over the next decade, including an estimate adopted by the Inland Waterways Users Board (Users Board). The proposal is needed to ensure that the revenue paid by commercial navigation users is sufficient to meet their share of the costs of capital investments on the inland waterways, which would enable a significant increase in funding for such investments in the future.

Under the Administration's proposal, the Corps would be able to structure the user fee in two tiers. Nearly all of the capital investment by the Corps to support commercial navigation on these waterways involves work at Corps locks and dams. Under a two-tiered fee system, those who use the locks and dams would pay more of the non-Federal share of capital investments, as they should. This would increase economic efficiency by requiring the specific users who benefit from these investments to internalize the costs. The Administration's proposal also includes other needed changes, which would clarify the scope of cost-sharing for inland waterways capital investment, and the authority for appropriating funds from the IWTF and from the General Fund to finance inland waterways costs; and would close an exist-

ing loophole under which traffic on roughly 1,000 miles of the inland waterways does not now pay the fuel tax.

FLOOD RISK MANAGEMENT

Through both structural and nonstructural measures, the flood risk management program serves as a vehicle to reduce the risk to safety and property from riverine and coastal flooding.

The fiscal year 2015 budget provides \$1.3 billion for the flood risk management program, which includes \$325.7 million for construction of dam safety projects, \$34 million for the assessment of existing dam safety projects, development of dam safety modification reports, and preconstruction engineering and design for existing dam safety projects, and \$38 million to continue the levee safety initiative, which involves an assessment of the conditions of Federal levees.

Between 10 percent and 15 percent of the levees in the Nation are maintained by the Corps, or are maintained by others and inspected by the Corps. The fiscal year 2015 budget includes funds for periodic inspections, levee screenings, and risk characterization by the Corps of these levees. The most prevalent deficiencies that the Corps has found to date have mostly been related to vegetation, encroachments, and culverts. Where the levee is a local responsibility, the Corps will suggest both structural and nonstructural risk reduction measures that the local authority can take to improve the condition of its levee and manage its flood risk.

The budget also includes \$2 million under the National Flood Risk Management Program to support the continued development of interagency teams known as Silver Jackets to provide unified Federal assistance in implementing flood risk management solutions. Silver Jackets teams have now been established in 41 States.

The Dover Dam, Muskingum River, Ohio and Muddy River, Massachusetts projects are both funded to completion in the fiscal year 2015 budget.

AQUATIC ECOSYSTEM RESTORATION

The fiscal year 2015 budget reflects a continuing effort by the Administration to have a coordinated approach to restoring significant aquatic ecosystems. The Corps has been working collaboratively with other Federal resource agencies on this effort. Attachment 2 provides a list of these ecosystems and the associated funding in the fiscal year 2015 budget for the Civil Works program.

[The attachment follows:]

FISCAL YEAR 2015 LARGE ECOSYSTEM FUNDING

[In millions of dollars]

Ecosystem Account ¹	Projects and Studies	Amount
	Bay Delta:	
I	Yuba Fish Passage .....	.2
I	CALFED Coordination .....	.1
I	Sac River Bank Protection	1
C	Hamilton City	3.8
C	Sac River Bank Protection	3
O&M	Additional studies and projects in Navigation and Flood Risk Management Programs	35.62
O&M	Fish and Wildlife	1.24
	Total, Bay Delta	44.96
	Chesapeake Bay:	
I	Chesapeake Bay Comp .....	.1
I	Anacostia—Montgomery .....	.25
I	Anacostia—Prince Georges .....	.25
I	Lynnhaven River Basin .....	.6
C	Chesapeake Oysters	5
C	Poplar Island	15.1
O&M	Fish and Wildlife	1.42
	Total, Chesapeake Bay	22.72
	Everglades:	
C	Everglades	65.55
O&M	Everglades	9.03

FISCAL YEAR 2015 LARGE ECOSYSTEM FUNDING—Continued

[In millions of dollars]

Ecosystem Account ¹	Projects and Studies	Amount
O&M	Fish and Wildlife .....	.86
	Total, Everglades	75.44
	Great Lakes:	
I	Interbasin Control Study (GLMRIS) .....	.5
C	Chicago Sanitary and Ship Canal (CSSC)	29
C	Green Bay Harbor .....	.13
C	Cleveland Harbor	5.73
O&M	Dredging	87.54
	Total, Great Lakes	122.9
	Gulf Coast:	
I	LCA—studies, PED	2.5
I	Coastal Texas Feasibility study .....	.2
C	LCA—construction	10
O&M	Fish and Wildlife	1.16
	Total, Gulf Coast	13.86

¹ Key: I=Investigation; C=Construction; O&M=Operation and Maintenance.

The budget for the Army Civil Works program provides \$74.9 million for the ongoing South Florida Ecosystem Restoration Program, which includes the Everglades, consisting of \$65.6 million in the Construction account and \$9 million in the Operation and Maintenance account. The budget includes \$29 million in Construction and \$500,000 in Investigations to continue efforts to combat the threat of Asian Carp and other aquatic invasive species in the Great Lakes region. Approximately \$1.5 million of fiscal year 2014 funds are projected to be carried into fiscal year 2015, which will be used in conjunction with the budgeted funds to further the Great Lakes Mississippi River Interbasin Study efforts.

The budget includes \$71 million for the Columbia River Fish Mitigation program in order to meet requirements laid out in the Columbia River Biological Opinion and to meet commitments made under the Columbia River Basin Fish Accords. The budget includes statutory language to increase the authorized program limits for the Lower Columbia River Ecosystem Restoration, Oregon and Washington construction program and for the research efforts on the Lower Columbia River, which have both been relied upon to meet requirements laid out in the Columbia River Biological Opinion.

In addition, the budget includes funds to initiate two new phase feasibility studies on the Russian River in California in order to address requirements laid out in the 2008 Russian River Biological Opinion. These feasibility studies will serve as the follow-up to the reconnaissance study that was initiated in fiscal year 2014. The Corps anticipates that the operational requirements and the likely alternatives needed to address problems in the study area will be specific to each facility, warranting separate feasibility studies. It has been common practice for the Corps to use one reconnaissance study to determine if there is a Federal interest in addressing the same water resource challenge in the same geographic area with the same project sponsor, before moving to separate feasibility studies.

The budget also provides \$48.8 million for ongoing work under the Missouri River Fish and Wildlife Recovery program, including funds to award construction of the Yellowstone Intake Dam Diversion project.

RESILIENCE TO A CHANGING CLIMATE

The budget supports continued progress on very important investments that will yield long-term returns for the Nation. For example, the Corps of Engineers continues its active role in climate change adaptation. Through the Administration's proposed Opportunity, Growth, and Security Initiative, the Corps would be able to further its efforts to increase the resilience of water resources infrastructure to a changing climate. This would include investments in small flood risk reduction projects, with the focus on nonstructural and/or natural approaches to risk reduc-

tion. It would also provide technical assistance to non-Federal, State, and local agencies to assist and enable their development and implementation of non-structural actions to reduce risks; and an interagency study by Corps and the Bureau of Reclamation to develop more resilient approaches to Federal development and management of water resources infrastructure to support project planning.

SUSTAINABILITY AND ENERGY

We have redoubled our efforts to leverage third party financing to achieve Administration, Energy Policy Act (EPAAct 2005), and Energy Independence and Security Act (EISA 2007) energy efficiency and renewable energy goals while reducing the demand on appropriated funds. By leveraging investments made since January 1999 in USACE hydropower infrastructure, we are now solidly “GREEN” on the Federal renewable energy goal (7.5 percent of total agency electricity in fiscal year 2013). We achieved a new high in renewable energy use in fiscal year 2013: 12.1 percent of our electricity consumption in fiscal year 2013 was provided by renewable resources, the majority of which (78 percent) we generated on-site in our hydropower dams.

REGULATORY PROGRAM

The budget includes \$200 million for the Regulatory Program, which is the level provided in the enacted appropriations for fiscal year 2014, to enable the Corps to continue to protect high-value aquatic resources, enable more timely business planning decisions via a transparent and timely permit review process, and support sustainable economic development.

VETERANS CURATION PROJECT

In continued support of the President’s Veterans Job Corps, the fiscal year 2015 budget includes \$4.5 million to continue the Veterans Curation Project, which provides vocational rehabilitation and innovative training for wounded and disabled veterans, while achieving historical preservation responsibilities for archaeological collections administered by the Corps. The project supports work by veterans at curation laboratories located in August, Georgia; St. Louis, Missouri; and the Washington, DC area.

CONCLUSION

In summary, the President’s fiscal year 2015 budget for the Army Civil Works program is a performance-based budget that supports an appropriate level of Federal funding for continued progress, with emphasis on those water resources investments that will yield high economic, environmental, and safety returns for the Nation and its citizens.

These investments will contribute to a stronger economy, support waterborne transportation, reduce flood risks to businesses and homes, restore important ecosystems, provide low-cost renewable hydropower, and deliver other benefits to the American people.

Madam Chairman and members of the subcommittee, I look forward to working with this subcommittee in support of the President’s budget. Thank you.

Senator FEINSTEIN. Thank you very much, Madam Secretary.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

**STATEMENT OF HON. ANNE CASTLE, ASSISTANT SECRETARY FOR
WATER AND SCIENCE****ACCOMPANIED BY HON. LOWELL PIMLEY, ACTING COMMISSIONER**

Senator FEINSTEIN. Secretary Castle.

Ms. CASTLE. Thank you, Madam Chair, Ranking Member Alexander, Senators. Thanks for the opportunity to talk to you today about Interior's Water-Related Programs and the President's 2015 budget request.

Acting Commissioner Pimley will address the specifics of the Reclamation budget, and I will highlight some of the Department's programs related to addressing the water challenges that we face in this country.

It is well known that we are confronted with unprecedented challenges in terms of water supplies all across the Nation, but particularly in the West. This year is an unfortunate example of that, most prominently in California, but not limited to that location. We also have very acute shortages in the Rio Grande Basin, in the Republican River, in other locations. The Colorado River watershed has had a good snow-pack year, but it is also in the clutches of long-term drought.

We have population growth, aging infrastructure, climate change; increasing pressure on use of water for development of domestic energy supplies; increasing recognition of the need for water for ecosystem; and all of those are challenging what are already scarce supplies. And this subcommittee recognizes that better than anyone.

This administration puts a very high priority on coming to grips with long-term water supply sustainability, and the Department of the Interior's WaterSMART program is geared to secure and stretch water supplies and to provide tools to water managers that allow them to continue to move toward sustainability.

The Department has established a goal of facilitating the increase of water supplies in the West through Reclamation's WaterSMART program by 840,000 acre feet. And we are well on track to meet that goal.

That was a goal from 2010 to 2015. As of the end of fiscal year 2013, we have helped to save 734,000 acre feet of water every year. That is a lot of water. That is enough to serve a very large city, 3 million people or more.

In 2015, Reclamation proposes to fund its WaterSMART programs at \$52.1 million, and there are a number of different components. WaterSMART Grants at \$19 million, which are cost share funding for water efficiency projects. Reclamation's Title XVI program, funded at \$21.5 million. That enables large recycling and reuse projects to make municipal systems more reliable and drought resistant. The Basin Studies Program, funded at \$3.9 million in the request.

These are possibly the best tools that the Federal Government can provide to State and local water managers by convening a collaborative and proactive analysis of projected supplies and de-

mands and identifying options and strategies to meet any expected shortages and to respond to changing needs.

The drought in California and the other Western States underscores the need for tools like these and the importance of improving the resilience of communities to the effects of water shortage. Reclamation recently finalized its 2014 water plan for California's Central Valley project, and that outlines the actions that can be taken in the near term to manage ongoing water supply challenges, things like expanding operational flexibility, streamlining the water transfer process.

In California, the Departments of the Interior and Agriculture and Commerce are working together with the State to minimize the drought's social, economic, and environmental impacts. Reclamation and the Natural Resources Conservation Service (NRCS) of the Department of Agriculture (USDA) are leveraging their Federal funding programs to help water delivery agencies and agricultural producers.

PREPARED STATEMENTS

And in 2014, USDA, NRCS, and Reclamation are together providing up to \$14 million—half from Reclamation, half from NRCS—for water districts and their farmers to promote conservation of water and improve water management. We hope to continue and expand that partnership to support agricultural economies in other parts of the drought-stricken West.

The budgets for the Department of the Interior and for the Bureau of Reclamation are geared toward creating these sustainable supplies. And we at Interior very much appreciate the support that this committee has given and, Madam Chair, that you have given yourself to our water programs. Thank you.

[The statements of Anne Castle and accompanying witness Lowell Pimley follow:]

PREPARED STATEMENT OF ANNE CASTLE

Madame Chair, Mr. Alexander, and members of this subcommittee: I am pleased to appear before you today to discuss the President's fiscal year 2015 budget for the Department of the Interior. I would also like to thank the members of this subcommittee for your efforts to enact a 2015 appropriation, and for your ongoing support for our initiatives.

The 2015 budget request of \$11.9 billion for the Department of the Interior makes key investments to maintain vital funding for Interior's missions, in landscape-level conservation, balanced energy development, water management, engaging youth and veterans, and fulfilling commitments to American Indians, Alaska Native Tribes and Insular communities.

I will discuss the President's fiscal year 2015 budget for the Bureau of Reclamation, the Office of the Central Utah Project Completion Act and the water-related programs of the U.S. Geological Survey. I thank the subcommittee for your continued support of these programs.

INTRODUCTION

The Department of the Interior's mission affects the lives of all Americans. Interior has stewardship of 20 percent of the Nation's lands, oversees the responsible development of over 20 percent of U.S. energy supplies, is the largest supplier and manager of water in the 17 Western States, maintains relationships with 566 federally recognized Tribes, and provides services to more than 2 million American Indian and Alaska Native peoples. This budget enables the Department to carry out its important missions in resource stewardship, balanced development of energy and mineral resources, water management and conservation, providing opportunities to

youth and veterans, resilience in the face of a changing climate, advancement of self-determination and stronger communities for tribal Nations, and fulfilling commitments to Insular communities. The Interior Department's 2015 budget maintains core capabilities to meet these responsibilities and proposes investments in key priorities.

2013 ACCOMPLISHMENTS

Interior's programs and activities serve as economic engines in communities across the Nation, contributing an estimated \$371 billion to the economy in 2012 and supporting an estimated 2.3 million American jobs. Of this total, energy and mineral development on Interior-managed lands and offshore areas generated more than \$255 billion of this economic activity and supported 1.3 million jobs. Recreation and tourism on Interior lands contributed \$45 billion to the economies of local communities and supported nearly 372,000 jobs. Water supply, forage and timber activities, primarily on public lands in the West, contributed more than \$50 billion and supported 365,000 jobs.

In 2013 and 2014, Interior continued to focus efforts on promoting sustainable water strategies, and improving water management through science, collaboration, and cooperation. These approaches were demonstrated through the Water Census, Reclamation Basin Studies and Cooperative Watershed Management Program projects, and through joint activities like the Urban Waters Federal Partnership and the Western Watershed Enhancement Partnership. Comprehensive basin-wide approaches such as these will be critical to assessing water needs, evaluating the availability of and risks to water supplies, mitigating those risks, and planning for the impacts of reduced availability and increasing demands in collaboration with Interior's partners.

2015 BUDGET AND FISCAL RESPONSIBILITY

The Department's \$11.9 billion 2015 budget for Interior represents a 2.4-percent increase from the 2014 enacted level which includes a cap exemption for fire emergencies. Without this exemption, Interior's budget totals \$11.7 billion, a 0.3-percent increase, or nearly level with 2014. This is a smart and balanced budget. It sustains support for essential requirements and allows for targeted increases above the 2014 enacted level. Within the overall increase for 2015, \$54.4 million covers unavoidable fixed cost increases for such things as Federal pay and rent. Reflecting the need to prioritize budget resources, this request includes \$413.3 million in proposed program reductions to offset other programmatic requirements. These tight fiscal times demand responsible budget requests that are based on strategic priorities.

Interior's 2015 budget request includes \$10.6 billion in current funding for programs under the jurisdiction of the Interior, Environment and Related Agencies Subcommittee. This is a \$104.9 million, or a 1 percent, increase compared to 2014. Total funding for the Department includes \$1 billion requested for the Bureau of Reclamation and the Central Utah Project Completion Act (CUPCA), under the jurisdiction of this subcommittee.

Interior programs continue to generate more revenue for the American people than the Department's annual current appropriation. In 2015, Interior will generate estimated receipts of nearly \$14.9 billion, a portion of which is shared with State and local governments to meet a variety of needs, including school funding, infrastructure improvements and water conservation projects. Also, included with this request are revenue and savings legislative proposals estimated to generate more than \$2.6 billion over the next decade.

CELEBRATING AND ENHANCING AMERICA'S GREAT OUTDOORS

Throughout American history, the great outdoors have shaped the Nation's character and strengthened its economy. The 2015 budget requests the resources and authorities to care for our public lands and prepare for the future. The budget strengthens the President's commitment to the America's Great Outdoors initiative and includes legislative proposals to provide full and permanent funding for the Land and Water Conservation Fund and a 3-year investment in advance of the 100th Anniversary of the National Park Service.

Coupled with these efforts is a historic commitment to America's natural and cultural heritage through Land and Water Conservation Fund programs. The budget includes a combined request of \$672.3 million (\$246 million requested as current funding and \$426.3 million as permanent funding) for Interior's LWCF programs that conserve lands and support outdoor recreation.

Reclamation continues to participate in and provide support to the Desert and Southern Rockies Landscape Conservation Cooperatives. These LCCs are partner-

ships between Interior and other Federal agencies, States, tribes, non-governmental organizations, and other stakeholders, to bring together science and sustainable resource conservation activities to develop science-based solutions to on-the-ground challenges from a changing environment within an ecological region or “landscape.” The LCCs leverage the resources and expertise of the partners and work across jurisdictional barriers to focus on natural resource issues specific to a particular ecosystem or landscape. Reclamation’s 2015 budget includes \$116 million in numerous projects and programs for river restoration that directly supports the goals of AGO.

ENGAGING THE NEXT GENERATION

The 2015 budget supports a vision to inspire millions of young people to play, learn, serve and work outdoors by expanding volunteer and work opportunities for youth and veterans. The budget proposes \$50.6 million for Interior youth programs in the Bureau of Land Management, U.S. Geological Survey, Fish and Wildlife Service, National Park Service, Bureau of Indian Affairs and the Bureau of Reclamation, a collective \$13.6 million or 37-percent increase from 2014.

A key component of the Department’s efforts will be partnering with youth organizations through the 21st Century Conservation Service Corps. The proposed funding includes an increase of \$8 million to expand opportunities for youth education and employment opportunities.

ENSURING HEALTHY WATERSHEDS AND SUSTAINABLE, SECURE WATER SUPPLIES

The 2015 budget addresses the Nation’s water challenges through investments in water conservation, sustainability, and infrastructure critical to the arid Western United States and its fragile ecosystems.

The budget includes \$66.5 million for WaterSMART programs in Reclamation and the U.S. Geological Survey, nearly a 17-percent increase from 2014, to assist communities in stretching water supplies and improving water management. This funding supports the Department’s goal to increase by 840,000 acre-feet, the available water supply for agricultural, municipal, industrial, and environmental uses in the Western United States through water-conservation programs by the end of 2015. The budget includes \$3.9 million for Reclamation’s Basin Studies program. The Basin Studies program is a collaborative tool Interior has available for facilitating sustainable water supplies and improving water management decisionmaking. Basin studies in particular watersheds are conducted through a partnership between Reclamation and State and local stakeholders. A study will assess projected future water supplies and demands and the ability of existing infrastructure to address any imbalances. The study will then work with interested parties to develop adaptation strategies to cope with identified imbalances on a collaborative basis.

In addition to \$1 billion requested for the Bureau of Reclamation within the jurisdiction of the Energy and Water Subcommittee, the budget also requests \$210.4 million for the U.S. Geological Survey’s water programs to provide scientific monitoring, research, and tools to support water management across the Nation.

DROUGHT

The drought in California and other Western States underscores the importance of improving the resilience of communities to the effects of climate change. The President’s Opportunity, Growth, and Security Initiative includes a \$1 billion government-wide Climate Resilience Fund to invest in developing more resilient communities, and finding solutions to climate challenges through technology development and applied research. Part of this proposal would be executed by Reclamation including research and breakthrough technologies.

In California, the Departments of the Interior, Agriculture, and Commerce are working with the State to accelerate water transfers and exchanges, provide operational flexibility to store and convey water, and expedite review and compliance actions, to help stretch California’s water supplies.

Reclamation finalized its 2014 Plan for the Central Valley Project which outlines actions that can be taken in the near-term to manage on-going water supply challenges such as expanding operational flexibility and streamlining the water transfer process. Federal and State officials are also discussing a collaborative response to the drought to minimize its social, economic, and environmental impacts.

Reclamation and the Natural Resources Conservation Service (NRCS) are working to leverage Federal funds for water delivery agencies and agricultural producers. In 2014, they will jointly provide up to \$14 million in funding, \$7 million from Reclamation and \$7 million from NRCS, for water districts and associated growers to promote conservation of water and improve water management. The projects funded through this partnership will help communities build resilience to drought by mod-

ernizing their water infrastructure and efficiently using scarce water resources while continuing to support the agricultural economy. We've also identified \$3 million in WaterSMART funding to support specific drought response measures and projects to create drought resilient infrastructure.

POWERING OUR FUTURE

The 2015 budget advances the President's energy objectives by encouraging smart and safe domestic renewable and conventional energy development in concert with conservation objectives and improved protections for Americans and their cultural and natural heritage. The budget includes \$94.8 million for renewable energy activities and a total of \$658.4 million for current, fee-based, and permanent funded conventional energy programs. In executing these programs, the Department is working to take a landscape level approach, modernizing programs and practices, improving transparency, streamlining permitting, and strengthening inspection and enforcement of on and offshore development.

HYDROPOWER

Hydropower is a very clean and efficient way to produce energy and is a renewable resource. Each kilowatt-hour of hydroelectricity is produced at an efficiency of more than twice that of any other energy source. Further, hydropower is very flexible and reliable when compared to other forms of generation. Reclamation has nearly 500 dams and 10,000 miles of canals and owns 76 hydropower plants, 53 of which are operated and maintained by Reclamation. On an annual basis, these plants produce an average of 40 billion kilowatt hours of electricity, enough to meet the entire electricity needs of over 3.5 million households on average.

Reclamation and FERC are parties to a Memorandum of Understanding, signed in 1992, that addresses the establishment of processes for early resolution of issues related to the timely development of non-Federal hydroelectric power at Bureau of Reclamation facilities. Reclamation and FERC recently met to discuss how to improve the timeliness of the processes developed in that MOU and resolution of authority issues.

The Department signed a Memorandum of Understanding with the Department of Energy and U.S. Army Corps of Engineers in 2010 to increase collaboration between those agencies and strengthen the long-term relationship among them to prioritize the generation and development of sustainable hydropower. This Administration is committed to increasing the generation of environmentally sustainable, affordable hydropower on existing dams and conduits for our national electricity supplies in as efficient a manner as possible. Activities under this MOU have been ongoing, and have resulted in accomplishments such as assessments of potential hydropower resources on Federal and non-Federal lands, a collaborative basin-scale pilot project in Oregon, and grant opportunities for research and development of new technologies. An example of its on-going efforts to maximize potential generation at existing Federal facilities, Reclamation has assessed the potential for developing hydropower at existing Reclamation facilities and by utilizing low-head hydroelectric generating capacity on Reclamation-owned canals and conduits.

To support the Powering Our Future initiative, the 2015 Reclamation budget includes \$1.2 million to optimize its hydropower projects to produce more energy with the same amount of water; investigate Reclamation's capability to integrate large amounts of renewable resources such as wind and solar into the electric grid; and work with Tribes to assist them in developing renewable energy sources. These important projects will assist in the production of cleaner, more efficient renewable energy.

STRENGTHENING TRIBAL NATIONS—INDIAN WATER SETTLEMENTS

The Department has a unique responsibility to American Indians and Alaska Natives. The 2015 budget invests in: Advancing nation-to-nation relationships and tribal self-determination, supporting and protecting Indian families and communities, sustainable stewardship of energy and natural resources, and improving education in Indian Country.

Interior's investments in Indian water settlements total \$171.9 million in Reclamation and Indian Affairs, for technical and legal support for water settlements. This includes \$147.6 million to bring reliable and potable water to Indian communities, more than a 9-percent increase from 2014, with \$112 million in the Bureau of Reclamation and \$35.7 million in the Bureau of Indian Affairs to implement land and water settlements. Among the investments is \$81 million for the ongoing Navajo-Gallup Water Supply Project, which, when completed, will have the capacity to

deliver clean running water to a potential future population of approximately 250,000 people.

The Claims Resolution Act of 2010 settled the Cobell lawsuit and four settlements that will provide permanent water supplies and economic security for the Taos Pueblo of New Mexico and Pueblos of New Mexico named in the Aamodt case, the Crow Tribe of Montana, and the White Mountain Apache Tribe of Arizona. The agreements will enable construction and improvement of reservation water systems, irrigation projects, a regional multi-pueblo water system, and codify water-sharing arrangements between Indian and neighboring communities. The primary responsibility for constructing water systems associated with the settlements was given to Reclamation; and BIA is responsible for the majority of the trust funds.

Reclamation is budgeting \$90 million in 2015 for the continued implementation of these four settlements, including the \$81 million for the Navajo-Gallup Water Supply project. Reclamation is proposing the establishment of an Indian Water Rights Settlements account to assure continuity in the construction of the authorized projects and to highlight and enhance transparency.

CENTRAL UTAH PROJECT

The Central Utah Project Completion Act (CUPCA), Titles II–VI of Public Law 102–575, provides for completion of the Central Utah Project (CUP) by the Central Utah Water Conservancy District (District). The Act also authorizes funding for fish, wildlife, and recreation mitigation and conservation; establishes an account in the Treasury for deposit of these funds and other contributions; establishes the Utah Reclamation Mitigation and Conservation Commission to coordinate mitigation and conservation activities; and provides for the Ute Indian Rights Settlement.

The 2015 budget proposes to reconstitute the CUPCA Office and program into the Bureau of Reclamation. This consolidation is part of broader Administration efforts to implement good government solutions to consolidate and streamline activities. The CUP is the only water project within the Department of the Interior not managed by Reclamation. The proposed merger would correct that anomaly, ensuring that these projects receive equal and consistent consideration and treatment. Concerns that prompted the enactment of CUPCA about Reclamation's previous management and operation of the CUP have been addressed within Reclamation and corrected. The 2015 CUPCA budget is \$7.3 million. Of this amount, \$1 million will be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission (Mitigation Commission). We propose to maintain both the Central Utah Project Completion and the Utah Reclamation Mitigation and Conservation Accounts for CUPCA appropriations after the proposed consolidation of the CUPCA Office into Reclamation in order to enhance transparency.

CONCLUSION

Thank you for the opportunity to testify on behalf of the President's 2015 budget for the Department of the Interior and the Bureau of Reclamation. I want to reiterate my appreciation for the long-standing support of this subcommittee. This budget has fiscal discipline and restraint, but it also includes forward looking investments. We have a tremendous opportunity to improve the future for all generations with wise investments in healthy lands, clean waters and expanded energy options.

I look forward to working with you to implement this budget. This concludes my testimony. I am happy to answer any questions that you may have.

PREPARED STATEMENT OF LOWELL PIMLEY

Thank you Madame Chair, Mr. Alexander and members of this subcommittee for the opportunity to discuss with you the President's fiscal year 2015 budget for the Bureau of Reclamation and the Central Utah Project Completion Act, also known as CUPCA.

I appreciate the time and consideration this subcommittee gives to reviewing and understanding Reclamation's budget, projects, and programs. Reclamation is committed to prioritizing and defining our overall program in a manner that serves the best interest of the American public.

Our 2015 budget continues to support activities that will deliver water and generate power, consistent with applicable State and Federal law, in an environmentally responsible and cost-effective manner both now and for future generations. Overall, our goal is to promote sustainability, resiliency, and certainty for those who

use and rely on water resources in the West. Success in this approach will help ensure that Reclamation is doing its part to support the basic needs of growing communities, and provide support for economic growth in the agricultural, industrial, energy and recreational sectors of the economy. The 2015 budget is consistent with the President's pledge to reduce spending and focus on deficit reduction. It allows Reclamation to fulfill its core mission and implements cost savings, whenever possible.

The budget also supports the Administration's and Department of the Interior's (Department) priorities to address America's water challenges, and major trends including the likelihood of continued constrained funding resources, population growth and new domestic needs, including energy development, increased demand and competition for supplies. Water availability and quality are a constant and increasing challenge across the Country as intensifying droughts and changing climate and hydrology exacerbate water shortages, deplete groundwater resources, and contribute to impaired water quality that all impact land, water, wildlife and tribal communities. Reclamation tackles water challenges across the American West in concert with the Department's priorities by: Ensuring healthy watersheds and sustainable, secure water supplies; promoting the America's Great Outdoors initiative; supporting an all-of-the-above energy strategy; strengthening tribal nations; and engaging the next generation. The Department will continue to ensure healthy watersheds and sustainable, secure water supplies primarily through the WaterSMART—Sustain and Manage America's Resources for Tomorrow—Program with participation from both Reclamation and the U.S. Geological Survey. The WaterSMART Program provides incentives and cost-share funding for water conservation projects and facilities and collaborative mechanisms for water users and policy makers to identify pathways that contribute to water sustainability. Reclamation's budget reflects those priorities.

Reclamation's 2015 budget, including the Central Utah Project Completion Act, is \$1 billion. These expenditures are offset by current receipts in the Central Valley Project Restoration Fund, estimated to be \$57 million. The budget proposal for permanent appropriations in 2015 totals \$122.8 million. The budget also proposes the establishment of a new Indian Water Rights Settlement account and a current appropriation within the San Joaquin River Restoration Fund.

WATER AND RELATED RESOURCES

The 2015 budget for Water and Related Resources, Reclamation's principal operating account, is \$760.7 million, a decrease of \$193.4 million from 2014 Enacted levels. This decrease is due, in part, to shifting \$90 million to establish a separate Indian Water Rights Settlement Account, a shift of \$32 million to establish a separate current appropriation within the San Joaquin River Restoration Fund, and various program and project decreases including a reduction in the Central Valley Project.

The 2015 budget includes a total of \$343.5 million at the project and program level for water, energy, land, and fish and wildlife resource management and development activities. Funding in these activities provides for planning, construction, water sustainability activities, management of Reclamation lands, including recreation areas, and actions to address the impacts of Reclamation projects on fish and wildlife.

The budget also provides a total of \$417.2 million at the project level for water and power facility operations, maintenance, and rehabilitation activities. Reclamation emphasizes safe, efficient, economic, and reliable operation of facilities, ensuring systems and safety measures are in place to protect the facilities and the public. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities.

HIGHLIGHTS OF THE 2015 BUDGET FOR WATER AND RELATED RESOURCES

I would like to share with the Committee several highlights of the Reclamation budget. Even in this tight fiscal climate, Reclamation's budget continues to promote and support efficient water management; increased renewable energy production; the construction of new infrastructure and sound maintenance of existing facilities; restoration of aquatic environments; and the continued use of applied science and new technologies to help ensure sustainable water deliveries and energy production. As a result, Reclamation continues to play an important role in providing a strong foundation for economic activity across the American West.

WaterSMART Program.—One method Reclamation employs to stretch water supplies in the West and prepare for these ongoing challenges is the WaterSMART Program. The programs included in WaterSMART are collaborative in nature and work to effectively achieve sustainable water management. WaterSMART Grants, Title

XVI Water Reclamation and Reuse, and the Water Conservation Field Services Program, along with other Reclamation activities, support the Department's Priority Goal for Water Conservation. The Basin Studies component of WaterSMART supports the Department's priority for Ensuring Healthy Watersheds and Sustainable, Secure Supplies.

In the 2015 budget, Reclamation proposes to fund WaterSMART at \$52.1 million. The WaterSMART components include: WaterSMART Grants funded at \$19 million; the Basin Study Program funded at \$3.9 million; the Title XVI Water Reclamation and Reuse Program funded at \$21.5 million; Water Conservation Field Services Program, funded at \$4.5 million; the Cooperative Watershed Management Program, funded at \$250,000; new Drought Response activities, funded at \$1.5 million, and new Resilient Infrastructure activities, funded at \$1.5 million.

Rural Water Projects.—Congress has specifically authorized Reclamation to undertake the design and construction of six projects intended to deliver potable water supplies to specific rural communities and Tribes located in the 17 Western States—primarily in Montana, New Mexico, North Dakota, and South Dakota. The 2015 Reclamation budget includes \$34.1 million for rural water projects, \$17.8 million of that total is for operation and maintenance of completed tribal systems and the remaining \$16.3 million is for continued construction for authorized projects.

Dam Safety Program.—A total of \$82.9 million is provided for Reclamation's Safety of Dams Program, which includes \$62 million to correct identified safety issues. Of that amount, \$21.4 million is for work at Folsom Dam. Funding also includes \$19.8 million for safety evaluations of existing dams and \$1.1 million to oversee the Interior Department's Safety of Dams Program.

Site Security.—A total of \$26.2 million is provided for Site Security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$4.1 million for physical security upgrades at high risk critical assets and \$22.1 million to continue all aspects of Bureau-wide security efforts including law enforcement, risk and threat analysis, personnel security, information security, risk assessments and security-related studies, and guards and patrols.

Powering Our Future.—To support the Powering Our Future initiative, the 2015 Reclamation budget includes \$1.2 million to optimize its hydropower projects to produce more clean, renewable energy with the same amount of water; investigate Reclamation's capability to help integrate large amounts of renewable resources such as wind and solar into the electric grid; and work with tribes to assist them in developing renewable energy sources. These important projects will assist in the production of cleaner, more efficient renewable energy.

Strengthening Tribal Nations.—The 2015 Reclamation budget supports the Strengthening Tribal Nations initiative through a number of activities and projects. For example, the budget includes \$8.1 million in support of Reclamation's activities with tribes, including technical assistance, Indian Water Rights Settlement negotiations, implementation of enacted settlements, and outreach to tribes; and \$14.1 million to continue the operation and maintenance associated with the delivery up to 85,000 acre-feet of water to the Ak-Chin Indian Community. Ongoing authorized rural water projects also benefit both tribal and nontribal communities. Projects in the 2015 budget benefiting tribes include the rural water component of the Pick-Sloan Missouri Basin Program, Garrison Diversion Unit; Fort Peck Reservation/Dry Prairie; and Rocky Boy's/North Central Montana; and operation and maintenance funding only for tribal features of the Mni Wiconi Project following completion of construction. Numerous other projects and programs, such as the Columbia/Snake River Salmon Recovery Program, Klamath Project, and the Yakima River Basin Water Enhancement Project also benefit tribes. In 2015, \$90 million for planning and construction of five recent Indian Water Rights Settlements is being proposed in a new separate account.

Ecosystem Restoration.—In order to meet Reclamation's mission goals of securing America's energy resources and managing water in a sustainable manner for the 21st century, one focus of its programs must be the protection and restoration of the aquatic and riparian environments influenced by its operations. Ecosystem restoration involves a large number of activities, including Reclamation's Endangered Species Act recovery programs, which directly address the environmental aspects of the Reclamation mission.

America's Great Outdoors (AGO) fosters the intrinsic link between healthy economies and healthy landscapes to increase tourism and outdoor recreation in balance with preservation and conservation. Reclamation's 2015 budget includes \$116 million within numerous project and program line items that directly supports the goals of AGO.

The 2015 budget provides \$150.6 million to operate, manage, and improve California's Central Valley Project, including a \$32 million current appropriation within

the San Joaquin River Restoration Fund. Overall, funding is \$28 million below 2014 levels. The primary factor for the decrease is a 6-month delay in the schedule for drainage services for the San Luis Unit as approved by the U.S. District Court. Within the CVP total, is \$16.7 million for the Trinity River Division, of which \$11.9 million and an additional \$2 million in the Central Valley Project Restoration Fund are for the Trinity River Restoration Program.

Many other projects and programs also contribute to ecosystem restoration including the Lower Colorado River Multi-species Conservation Program, Middle Rio Grande Endangered Species Act Collaborative Program, the Endangered Species Act Recovery Implementation Program, the Columbia/Snake River Salmon Recovery Program, Klamath Project, and the Yakima River Basin Water Enhancement Project.

Engaging the Next Generation.—Funds proposed in the fiscal year 2015 President's budget request will expand Reclamation youth programs and partnerships to accomplish high priority projects, and promote quality participant experiences and pathways to careers. The funding for youth programs and partnerships, including the proposed 21st Century Conservation Service Corps, is included within Reclamation's project and program line items within the various accounts.

Climate Change Adaptation.—Consistent with the direction in the President's 2013 Climate Action Plan, in 2015 Reclamation is developing and implementing approaches to understand, and effectively adapt to, the risks and impacts of a changing environment on western water management. Some examples include:

- The Basin Study Program takes a coordinated approach to assess risks and impacts, develop landscape-level science; communicates information and science to other entities and agencies; and works closely with stakeholders to develop adaptation strategies to cope with water supply and demand imbalances in a collaborative manner.
- The Drought Response Program will implement, under existing authorities, a comprehensive new approach to drought planning and will implement actions to help communities manage drought and develop long-term resilience strategies.
- Through the Resilient Infrastructure Program, Reclamation will proactively maintain and improve existing infrastructure for system reliability, safety, and efficiency for water conservation to prepare for extremes and to support healthy and resilient watersheds. Reclamation will develop and implement an enhanced decisionmaking criteria framework for selecting resilient infrastructure investments and will identify opportunities to integrate operational efficiencies more compatible with climate change adaptation goals, as part of the Bureau's ongoing infrastructure investments.
- Within Reclamation's Science and Technology Program is water resources research to improve capability for managing water resources under multiple drivers, including a changing climate. This research agenda will be collaborated and leveraged with capabilities of the Interior Climate Science Centers.
- Additionally, Reclamation's WaterSMART Grants, Water Conservation Field Services, and Title XVI Programs are enabling the West to better adapt to the impacts of a changing environment by helping to conserve tens of thousands of acre-feet of water each year in urban and rural settings, and on both large and small scales.

CENTRAL UTAH PROJECT COMPLETION ACT

Interior's 2015 budget proposes to consolidate the CUPCA project within Reclamation while maintaining a separate account for CUPCA. This consolidation is part of broader Administration efforts to implement good government solutions, to consolidate activities when possible, and reduce duplication and overlap. The 2015 CUPCA budget is \$7.3 million of which \$1 million will be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Mitigation Commission. The 2015 funding will be used to provide for construction, program oversight, the Ute Tribal settlement, fish and wildlife development, and Endangered Species Act recovery.

CENTRAL VALLEY PROJECT RESTORATION FUND

The 2015 budget includes a total of \$57 million for the Central Valley Project Restoration Fund (CVPRF). This amount is determined on the basis of a 3-year rolling average not to exceed \$50 million per year and indexed to 1992 price levels. These expenditures are offset by collections estimated at \$57 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act.

CALIFORNIA BAY-DELTA RESTORATION

The 2015 budget provides \$37 million for California Bay-Delta Restoration, equal to the 2014 budget. The account focuses on the health of the Bay-Delta ecosystem and improving water management and supplies. The budget will support the co-equal goals of environmental restoration and improved water supply reliability, under the following program activities: \$1.7 million for a Renewed Federal State Partnership, \$8 million for Smarter Water Supply and Use, and \$27.4 million for Habitat Restoration. These program activities are based on the Interim Federal Action Plan for the California Bay-Delta issued December 22, 2009.

SAN JOAQUIN RIVER RESTORATION FUND

The 2015 budget funds activities consistent with the settlement of *Natural Resources Defense Council v. Rodgers* as authorized by the San Joaquin River Restoration Settlement Act. The Act includes a provision to establish the San Joaquin River Restoration Fund to implement the provisions of the Settlement. The Settlement's two primary goals are to restore and maintain fish populations, and restore and avoid adverse water impacts. Under the Settlement, the legislation provides for nearly \$2 million in annual appropriations from the Central Valley Project Restoration Fund for this purpose. Reclamation proposes \$32 million of current funds for the San Joaquin River Restoration Fund account in 2015.

INDIAN WATER RIGHTS SETTLEMENTS

In 2015, Reclamation will enhance support of tribal nations, most notably through the establishment of an Indian Water Rights Settlement account. The 2015 Budget proposes \$90 million for Indian Water Rights Settlements (IWRS), in a new account of the same name. Reclamation is proposing establishment of an Indian Water Rights Settlements account to assure continuity in the construction of the authorized projects, and to highlight and enhance transparency in handling these funds. This account is proposed to cover expenses associated with the four Indian water rights settlements contained in the Claims Resolution Act of 2010 (Public Law 111-291) and the Navajo-Gallup Water Supply Project within Title X of the Omnibus Public Land Management Act of 2009 (Public Law 111-11).

Of this amount, \$9 million is for implementation of three water rights settlements contained in the Claims Resolution Act of 2010. These settlements will deliver clean water to the Taos Pueblo of New Mexico, the Pueblos of New Mexico named in the Aamodt case, and the Crow Tribe of Montana. The budget also includes \$81 million for the ongoing Navajo-Gallup Water Supply project. In 2015, funding priority was given to those settlements whose mandated completion dates would be most in jeopardy without it.

In addition, the 2015 budget for the Water and Related Resources Account contains \$22 million for on-going settlement operation and maintenance functions including the Ak Chin Indian Water Rights Settlement Act, San Carlos Apache Tribe Water Settlement Act, Colorado Ute Settlement Act Animas—La Plata Project, and Nez Perce/Snake River Water Rights Act which is part of the Columbia/Snake River Salmon Recovery Program.

POLICY AND ADMINISTRATION

The 2015 budget for Policy and Administration, the account that finances Reclamation's central and regional management functions is \$59.5 million.

PERMANENT APPROPRIATIONS

The total permanent appropriation of \$122.8 million in 2015 primarily includes \$110.7 million for the Colorado River Dam Fund, and reflects a \$51.7 million decrease for permanent funding. 2014 is the last year for the \$60 million permanent appropriation for each of 3 years to Reclamation's Water Settlements Fund provided in Public Law 111-291. In 2015, the Central Utah Project Completion Act accounts are consolidated within Reclamation.

2015 THROUGH 2018 PRIORITY GOAL FOR WATER CONSERVATION

Priority goals are a key element of the President's agenda for building a high-performing government. The priority goals demonstrate that they are a high value to the public or that they reflect achievement of key Departmental milestones. These goals focus attention on initiatives for change that have significant performance outcomes, which can be clearly evaluated, and are quantifiable and measurable in a

timely manner. Reclamation's participation in the Water Conservation priority goal helps to achieve these objectives.

Reclamation will enable conservation capability for agricultural, municipal, industrial, and environmental uses in the Western United States by at least 840,000 acre-feet (from 2010) through 2015, and 1,000,000 acre-feet through 2018 with the use of the WaterSMART Program to assist communities in stretching water supplies while improving water management and increasing the efficient use of water.

Moreover, Reclamation's water conservation activities address a range of other water supply needs in the West. It plays a significant role in restoring and protecting freshwater ecosystems consistent with applicable State and Federal law, enhancing management of our water infrastructure while mitigating for any harmful environmental effects, and understanding and responding to the changing nature of the West's limited water resources.

Finally, the 2015 budget demonstrates Reclamation's commitment to meeting the water and power needs of the West in a fiscally responsible manner. This budget continues Reclamation's emphasis on managing those valuable public resources. Reclamation is committed to working with its customers, States, tribes, and other stakeholders to find ways to balance and support the mix of water resource needs in 2015 and beyond.

CONCLUSION

This completes my statement. I would be happy to answer any questions that you may have at this time.

Senator FEINSTEIN. Thank you very much, Madam Secretary. I appreciate your comments.

Do either of the gentlemen wish to speak? We have your remarks. If you do not, that is—we will let the women handle it.

Ms. DARCY. He will handle the questions.

Senator FEINSTEIN. Well, I don't mean to intimidate you. If you have something you want to say, say it.

General BOSTICK. I think they have covered it very well.

The only thing I would say, Madam Chairman, is that I have great pride in the Corps of Engineers and the work our people are doing each and every day all across this country and throughout the world.

Senator FEINSTEIN. Thank you. And we share that pride and are very grateful to you for it. So thank you very much.

Oh, about I guess it was 3, 4 weeks ago, Senator Boxer and I flew out with the President and got on a helicopter in Fresno and flew over the Central Valley. And I am a native Californian, and without giving up my age, I have lived there all my life, and I have never seen a drier Central Valley. I guess a half million acres to date have been fallowed. It could be a million acres coming.

The California Water Project has a zero allocation. The Central Valley Water Project, which goes to farmers, has a zero water allocation. So there is virtually very little water, and it is a real problem.

We are the biggest ag State in the country. It is a \$50 billion industry. It employs tens of thousands of people, and it is falling apart in a hand basket right now.

So the question comes, what can we do? I have a bill that I have introduced. It was Rule 14'd yesterday. I hope it will come to the floor. It has some measures of operational flexibility for the departments, for the Federal departments. And it raises the caps on certain programs to allow counties and States that have been declared an emergency to be able to partake in those programs.

We have removed the emergency spending part of the bill, candidly, because obviously we need 60 votes, and it was a problem

for the Republican side. I have two great Republicans on my left, and I very much hope that they will vote to suspend cloture so that we can vote on this bill soon. And here is why.

It is now raining in California, and we need to take advantage of that water with increased operational flexibility while it rains. And the bill has some specific things that can be done to increase flexibility. We have worked with the Department of Reclamation in producing them. We have worked with the State Department of Water Resources, with Fish and Game, et cetera.

It is my understanding, Mr. Pimley, that Reclamation is taking steps to increase operational flexibility of the water distribution systems that you oversee now. And Reclamation's latest report stated that through March 27, the cumulative loss of winter-run Chinook Salmon at the export facility at Jones Pumping Plant is 304 out of an allowable incidental take limit of 24,237. So, clearly, the salmon are not affected. The estimated take for Delta Smelt is zero.

So the data, it would seem to me, does support the notion that higher levels of water pumping in this emergency situation can occur. Could you indicate what your department is doing in that regard?

Mr. PIMLEY. Yes. Thank you.

We have been working very hard over the past 3 months.

Senator FEINSTEIN. I don't want to miss this. Could you speak directly into the mike?

Mr. PIMLEY. Sorry, I have a bit of a cold. I am sorry.

We have been working very hard since the first of the calendar year and even beginning last year to prepare for what we had feared could be a worst-case scenario, which has actually exceeded our concerns from a year ago. We have worked very much in concert with Federal fish agencies, NMFS (National Marine Fisheries Service) and Fish and Wildlife Services, as well as the State Fish and Wildlife Division and Department of Water Resources and the California State Water Board.

Through those efforts, over the past 2 to 3 weeks of intense efforts, we have worked with NMFS and others to be able to increase pumping at the two facilities, the Central Valley and State Water Projects, beginning yesterday from what had been about 1,500 cubic feet per second (cfs) exports up to just shy of 5,000 between the two projects now. I think at this stage the State Project is at about 700, and we are—Reclamation is at about 4,200.

Senator FEINSTEIN. Is that the cumulative total for both projects, State Water?

Mr. PIMLEY. Correct, 4,900 for the two projects. Yes.

Senator FEINSTEIN. Forty-nine hundred. Okay.

Mr. PIMLEY. So these actions were taken as a measured approach not just concerning drought, but also to address the need to strike a balance between fishery concerns and the needs of water supply. And then the third real key that we work with the State board on is the salinity control within the delta. So by balancing those three components of delta operations, we think we have struck the right, middle road to do the best we can for all three.

It is an evolving situation out there, literally day by day. Conversations take place not just on a daily basis, but literally on an

hourly basis and 7 days a week. We are trying to maximize pumping so that we can stay in a situation where we are not putting ourselves into a state of jeopardy with regard to endangered species.

Senator FEINSTEIN. So is that all you are doing? There are other things in our bill—keeping open the cross-delta channels, the one-for-one release ratio. Is any of that being done?

Mr. PIMLEY. Yes, the one-to-one San Joaquin import/export ratio has been adjusted for the first part of April until we have to have a pulse flow, as I understand it, to help migrating salmon move out of the delta. But we are able to hold off on that until that pulse flow that waive the one-to-one ratio until that pulse flow is needed, which I believe is in about 2 weeks.

Senator FEINSTEIN. Say that again. This is important.

Mr. PIMLEY. The one-to-one ratio is not controlling for the next two or so weeks until that pulse flow is required. So then the criteria we have to be concerned about, is how much negative flow we have going backwards through the Old and Middle Rivers.

And we have worked with NMFS—they have raised that limit to minus 5,000 cfs, which is the 14-day average. But we are actually allowed to go, I think, 25 percent above that to capture these pulse flows or these flows that are coming in. As you mentioned, the storm that is in California right now, I believe, it is over a 5-day period that we can ramp up a little bit higher.

We are not there yet, as I mentioned earlier, but we are following the hydrograph as the water is available in the delta.

Senator FEINSTEIN. Well, I am fully supportive of this, and I want you to know that. And the take figures being so low would seem to support this action, and I think the hope is that you can get upwards of 500,000 additional acre feet of water. Do you think that is possible?

Mr. PIMLEY. I honestly don't know the total volume, ma'am.

Senator FEINSTEIN. Okay.

Mr. PIMLEY. I do know that, I am not a biologist, but I have been taking a crash course over the past 2 weeks in the terminology.

Senator FEINSTEIN. Lucky you.

Mr. PIMLEY. But my understanding is that there is a lot more to the equation than simply the incidental take numbers that they have been observing. I am paraphrasing here, and I believe you will get more details at the end of the week when we have a report come out on the drought operation plan for the rest of the water year. But my understanding is that there are a lot of fish migrating as we speak and will be in the delta over the next 2 months. That is when the story will be told on the species for this year.

And so, the incidental take so far is admittedly quite low. But there are other factors that are stressing the populations, and I think we have got the real concerns going out into the next few weeks.

Senator FEINSTEIN. Just one comment, and this isn't your problem. It is ours. So is unemployment going to be going up. So are farmers that are not going to be able to get their loans to plant. So are contractors that are not going to be able to put together crews to work. And when this happened a few years ago, the unem-

ployment in Valley towns, particularly Mendota, was 40 percent, and farmers were actually in bread lines.

So I understand the fish. But I also understand that people have to live and earn and be able to buy their food. So I very much appreciate your taking this action.

Senator.

Senator ALEXANDER. Thanks, Madam Chairman.

General Bostick, will the increase in funding for the Harbor Maintenance Trust Fund spending result in increased fund for the dredging in the Port of Memphis?

General BOSTICK. I can't specifically say, Senator Alexander, but I can follow up on that question whether it would help in that particular port.

Senator ALEXANDER. Thank you. I would appreciate if you would. We worked together to try to get on a 6-year path so that we can take care of the backlog of needs that we have, and that is one of the most important ones in our area.

Secretary Darcy, last year the subcommittee added \$81.5 million in funding for inland navigation projects. Again, we all worked together on that, came to a pretty good result, I thought, for the inland navigation. And of course, we need those. If we are going to be a great country, we have got to keep our waterways, our locks, and our dams in good shape.

We also were able to create a capital development plan that we agreed upon, which gave us an orderly way to move toward the priority projects. And fourth in that capital development plan is the Chickamauga Lock.

Well, here is my question. If that increased level of funding continues, the \$81 million higher in this year, is there a way for you to restart construction of the Chickamauga Lock during the fiscal year 2015?

Ms. DARCY. Senator, that would depend on the other projects in line. As you know, Olmsted and then Monongahela and then Lockport and then Chick, none of those are currently funded to completion. We would need to look at if that additional revenue is there. Again, it would need to be met through the trust fund as well as the Treasury.

Senator ALEXANDER. Well, the hope was—as we worked through this last year and the conversations we had was as we got these projects in a priority order, which we all agreed on, which is—should be very helpful to the Corps so you won't be pulled in so many different directions—it is helpful to us as well—that the increased funding would make it possible for you to move ahead on two or three at once.

Obviously, you have your priorities. Two comes ahead of three. Three comes ahead of four. But you don't have to actually fully complete two before you restart construction on four because these are big projects that take a long time.

Now let me ask you this. There was also a part of our proposal was to increase the revenue in the Inland Waterways Trust Fund. I believe the administration had a proposal.

Ms. DARCY. That is correct.

Senator ALEXANDER. We had another one. What are the prospects for that increased revenue, and how much revenue would that be?

Ms. DARCY. Under the Administration's proposal for the user fee, we are projecting that, if enacted, we would be able to generate \$1.1 billion over a 10-year period.

Senator ALEXANDER. And I think the proposal that we had in the Congress was to increase the fuel tax.

Ms. DARCY. That is correct.

Senator ALEXANDER. And it would produce about the same amount of money, which would—if I am remembering right. Now that would add another \$100 million a year or so to the Inland Waterways Trust Fund.

In addition to maintaining the \$81 million increase that we had last year, if we are able to either take the administration's proposal of a lockage fee or the fuel tax, the increase that the barge owners have said they would like to pay, if we had that extra \$100 million, would that increase the chances that Chickamauga Lock could be restarted in 2015?

Ms. DARCY. I think it would increase the chances. However, the revenue coming into the trust fund, as you know, if you increase the tax, that would significantly increase the amount coming in. But it is that match between what is in the trust fund and the Treasury that would ultimately need to be reconciled in order to pay for any increase to the Chick Lock or to restart Chick.

Senator ALEXANDER. Well, you know, in the case of the fuel tax increase, we have got the barge owners who are asking to pay it so they can get through the lock more rapidly. And it doesn't affect any of the fishermen except if you have got a little boat, right now you are waiting. And if the big boats pay more to make it easier to get through the lock, the little boats get through faster without paying any more.

So I would hope the administration would work with us to increase the fee and that as you and the General make your plans, that you would think about all of these projects, or at least two or three of them, at once. If we go up \$81 million and stay there, and particularly if we are able to get the revenue up, as many of us think we should, in either the way the administration wants to do it or the way we have recommended, that that will give us a chance to move ahead on those next two or three projects, including the Chickamauga Lock.

Ms. DARCY. I think we share the same goal, Senator.

Senator ALEXANDER. Thank you very much.

Thank you, Madam Chairman.

Senator FEINSTEIN. Thank you very much, Senator.

Senator Cochran.

Senator COCHRAN. Madam Chair, thank you for scheduling this hearing.

And to our panel of witnesses, thank you very much for being here and helping us review the budget request for the Secretary of Army's budget for civil works and related activities that come under your jurisdiction.

In looking at the priorities, I am curious to know how you make the decisions, based on a shrinking budget, to provide upkeep,

maintenance, dredging where that is required, and other activities that are over and above the day-to-day operations and activities of the agencies and departments under your jurisdiction. How do you go about assigning priorities? I'm curious. If you have a process, can you describe it for us?

Ms. DARCY. Thank you, Senator.

We do have a process. First of all, it is a performance-based budget, where we look at projects across the Nation as far as the value to the Nation and what those outputs for a specific project would be.

For example, the way we budget in our Operation and Maintenance (O&M) account for dredging, is that we look at the high commercial use harbors and take the money that we have and put it toward those high commercial use harbors. We also take a percentage of that money also to address some of the lower use harbors, some subsistence harbors, smaller harbors. But in that instance, we look at the highest commercial use in order to determine the percentage of money that goes to each of those projects.

Senator COCHRAN. Our State of Mississippi has a great deal of economic interest in ports along the river on the western part of our State. Are there any ports that are on the Mississippi border, the State of Mississippi border that qualify for maintenance activity during this next fiscal year under the appropriations that we will approve in this budget bill?

Ms. DARCY. I believe so. Can I name them? Vicksburg and Madison Parish. Yellow Bend. And—

Senator COCHRAN. What about Memphis? Memphis, is part of Memphis?

Ms. DARCY. Yes.

Senator COCHRAN. We share that. Senator Alexander and I both are interested in that.

Ms. DARCY. I was looking at Mississippi, but, yes, Memphis.

Senator COCHRAN. Memphis. Right. Don't forget Memphis. And is Natchez or Vicksburg among those listed?

Ms. DARCY. Yes, sir.

General BOSTICK. The only thing I would add is that our districts have a big play in what we fund. We look at the national economic benefit and we look at risks to life and we look at environmental issues; the districts provide their recommendations up to the divisions, and then they come to the headquarters and go through the performance-based budgeting criteria process that Secretary Darcy explained.

Senator COCHRAN. Let me ask you this. Is the appropriations being requested for maintenance of these ports sufficient in this budget request to take care of the needs that will exist over the next fiscal year?

Ms. DARCY. Senator, the amount that is being requested in the President's budget—am I on? The amount that is being requested—

Senator FEINSTEIN. Move it down just a small bit.

Ms. DARCY. The amount that is being requested in the President's budget is what we believe we can afford at this time from the Harbor Maintenance Trust Fund. It doesn't meet all of the needs for all of the harbors or in all of the ports, but it is what

we are going to be able to afford to spend on those needs at this time.

Senator COCHRAN. Well, with the emphasis on cutting spending and reducing the budget and trying to cut the deficit and that kind of thing, I hope that we don't get so carried away that we forget some of the primary responsibilities of these agencies that benefit from the appropriations approved by our committee to protect against catastrophic failures. And when we have so much of our commerce moving down the Mississippi River, it occurs to me that we need to be sure that we are getting that right.

Are you satisfied that the funds being requested are sufficient for those purposes for the next fiscal year?

Ms. DARCY. They are what we are able to afford at this time, sir.

Senator COCHRAN. Now we can afford more, this committee can, by appropriating more, if it is consistent with our budget rules and restraints here on the Hill. You don't think it is important to make any requests for or in looking ahead, knowing that supplemental appropriations might be needed for any of these purposes?

Ms. DARCY. Senator, this is the administration's request for this at this time.

Senator COCHRAN. Okay. Thank you very much.

Senator FEINSTEIN. Are you muzzled?

Ms. DARCY. No, Senator. I am supporting the President's budget request.

Senator COCHRAN. I think so.

Senator FEINSTEIN. Yes. I think so, too. But the point is it is a huge budget cut for an agency that is our only real infrastructure agency. And that is the "too bad" thing.

So, you know, I actually believe that this subcommittee has great respect for the Army Corps, and we want to see it be able to perform. So I would hope that if you have other priorities or will have other priorities, we are going to try to find a way to increase that amount.

And Senator Cochran, you will support us. Right?

Senator COCHRAN. Indeed, I will, Madam Chair.

Senator FEINSTEIN. Thank you.

Senator COCHRAN. Thank you very much.

Senator FEINSTEIN. Senator Landrieu.

Senator LANDRIEU. Thank you.

I want to follow up on what Senator Cochran said because I think he raises an excellent point. And I understand the constraints, you know, Secretary Darcy, that you are under. But we are not under those same constraints. And it would help us to have the best information possible to make the arguments that we need to make, which is that continuing to grossly underfund water infrastructure projects in this Nation is counter to economic development and the creation of high-paying middle-class jobs.

This maritime industry—I am not talking just about oil and gas. I am talking about maritime that affects every State, every community, is imperative. So I want to ask the question this way. And this is in, General Bostick, your testimony. You say this.

Our budget includes 400 flood and storm damage reduction projects. This budget includes 192 coastal navigation projects. And this budget allocates money to 193 sites with navigation locks.

I am going to ask you to submit to this committee the deficits associated with these: 400 flood, 192 coastal, and 193 sites for this committee. Because you are putting \$4.5 billion against these projects. You know, that is one way to testify. But the more interesting question is how much would it actually cost to complete all of them?

I am not even sure—we need to know that. The country should know. Because it is billions and billions and billions and billions of dollars, and we are, like, throwing nickels and dimes at it. So I want that answer. If you have it, you can give it to me now. And if not, you can give it to me later. But I want that answer. What is the total amount?

My second question is this. I mean, do you have a number right now for this?

General BOSTICK. What you are asking for, Senator, is about our capability. And the capability is an estimate of each study or project that the Army Corps of Engineers estimates for the most that it could obligate efficiently for a fiscal year—

Senator LANDRIEU. No, it is not obligate efficiently. It is what are the needs—if we built all these projects or if we had them completed. That is what I think the public is interested—

Senator FEINSTEIN. What the total amount.

Senator LANDRIEU. What the total amount. And I know you don't—I don't think you have that number.

General BOSTICK. For something like critical dredging, it is about \$1.8 billion.

Senator LANDRIEU. For what we need every year to dredge.

General BOSTICK. Of what we could do in 2015.

Senator LANDRIEU. Not what you can do, but what the country needs. It is two different things.

Like we have a port of South Carolina that needs some dredging. We didn't even—now we do have a new start in here, and I am very grateful to the President, which was a promise made after Katrina destroyed the Gulf Coast. But we have the new start, and I am grateful, and our State is going to come up with a lot of money to help with this. We don't expect this committee to fund it. We have a funding plan. We need the authorization.

But the Mississippi River needs to get dredged from Baton Rouge to New Orleans. It is literally the largest port system in the country, and we don't have the money in here, I understand, to dredge the Mississippi from Baton Rouge to the mouth. Do we?

General BOSTICK. We do not.

Senator LANDRIEU. We do not. And you do have four dredging projects in here. Correct?

General BOSTICK. Correct.

Senator LANDRIEU. And do we have the information about how those dredging projects were chosen? Can you submit those to the record in terms of economic impact?

Ms. DARCY. We can do that.

General BOSTICK. We can provide that. Yes.

Senator LANDRIEU. Okay. Because the volumes in these ports I am fairly familiar with, and I don't know of any port system in the country—any—that has more volume than the ports of Baton Rouge to the mouth of the Mississippi. They couldn't possibly be-

cause this river is the biggest river in the whole country. I mean, there is no question about that.

So, do you have a response to how the Mississippi River got left out?

Ms. DARCY. I think you are referring to the one dredging project from Baton Rouge to—

Senator LANDRIEU. To the mouth.

Ms. DARCY [continuing]. To the mouth. At the time we were doing the allocations for the 2014 work plan, the local sponsor was not supportive of doing it.

Senator LANDRIEU. Well, we have submitted information that counters that and it will. But that is one of my questions. I have gone over my time, and I am—well, no. I have a minute left. We sent you some additional information about that.

But the point is—and it is not just each of us arguing for our own State. I have started off by saying the whole country has a huge need. And I can just—you know, I am more familiar with my State than I am with some others. But when I look at the Mississippi River and what is happening along this huge commercial corridor, and then I look at Lake Charles. So let me just ask about Lake Charles.

You said that you allocate money, Madam Secretary, on economic commercial use. Are oil and gas tankers, like natural gas import or export, commercial use? Do you find it as commercial use?

Ms. DARCY. That is commercial use.

Senator LANDRIEU. And you take that into consideration? Okay. Since we are the only port right now that is positioned to do that, it is hard for me to understand how we don't get a regular allocation of dollars for the Calcasieu Ship Channel since we are one of the only ports that do that right now. Can you look into that for us?

Ms. DARCY. I can look into it. What we look at is the volume, the commercial ton miles. So we will look at how that port competes compared to other high-use ports.

Senator LANDRIEU. Okay. And the other is the energy ports along the Gulf Coast. We are not the only ones. But Port Fourchon, 18 percent of all the offshore drilling, it is not—they don't even get calculated in some of the calculations that you all do. So we will continue to work.

Madam Chairman, thank you.

Senator FEINSTEIN. Thank you, Senator.

Senator Graham.

Senator GRAHAM. Thank you, Madam Chairman.

Secretary Darcy, do you know why the Congress imposed sequestration?

Senator FEINSTEIN. Oh, poor Secretary Darcy.

Ms. DARCY. Pardon me?

Senator GRAHAM. I would say you all were dumb, but you would not want to say that. I would say that we have created a mess for you and us. And it is easy to beat on you all, but we ought to beat on ourselves a little bit here. We have got to fix this.

In 2016, sequestration hits again. Do you agree?

Ms. DARCY. Yes.

Senator GRAHAM. You think it is bad now. What is going to happen post 2016, General?

General BOSTICK. It is going to be worse, Senator.

Senator GRAHAM. Yes, I wish we could find a way to fix sequestration in a bipartisan manner. We are really gutting the ability to improve infrastructure. Do you agree with that, Secretary Darcy?

Ms. DARCY. Yes. It is limiting that ability significantly.

Senator GRAHAM. Do you agree with that, General?

General BOSTICK. Absolutely, Senator.

Senator GRAHAM. Okay. So the big picture is that we are on track now to reduce spending in an area I think is vital to our economy. And I will help you dredge the Mississippi River because if we don't, we are crazy.

Our Inland Port Trust Fund, Olmsted Lock and Dam takes most of the money. Is that correct?

Ms. DARCY. Yes, sir.

Senator GRAHAM. Until you fix that, you are never going to fix the Inland Port Trust Fund problem, are you?

Ms. DARCY. There are ways to fix the Inland Waterways Trust Fund through a number of things, including the user fee that we have proposed.

Senator GRAHAM. Well, at the end of the day, I would just like the subcommittee, which has been one of the best experiences in Congress for me, to see if we can find a way to replace sequestration with something that makes more sense and frees up money.

As to Charleston, the President's budget allocated \$695,000 to complete the Post 45 study. Is that enough, General? Madam Secretary?

Ms. DARCY. It is funded to completion, sir.

Senator GRAHAM. Yes. So we really appreciate that, and I want to acknowledge the President's support of that.

Now, when it comes to dealing with the West Coast port problems, they are mainly portside capacity. Is that correct?

Ms. DARCY. It varies from port to port. But the West Coast ports have a different capacity because of some of their depths are naturally—

Senator GRAHAM. Do we have a strategy to make the West Coast of the United States more competitive and improve our ports? Do we have a national strategy to do that?

Ms. DARCY. To make them more competitive, as opposed to the rest of the country?

Senator GRAHAM. Yes. Let us just start with the West Coast.

Ms. DARCY. We don't have a strategy to make them the most competitive. No.

Senator GRAHAM. Do we have a strategy to make the East Coast more competitive?

Ms. DARCY. I would say no.

Senator GRAHAM. Do we have a strategy to make the Inland Port Trust Fund more effective?

Ms. DARCY. We are trying to, by proposing a user fee in order to increase the receipts into the trust fund, so that we can be more responsive to the infrastructure needs on the inland waterways.

Senator GRAHAM. Do you think the administration should come up with a strategy, or should the Congress come up with a strategy, or should we just not have one?

Ms. DARCY. The President established a ports task force last year. One of our charges in the task force, which I sit on, is to come up with a port strategy for the country, and we are working on that.

Senator GRAHAM. When do you think that will happen?

Ms. DARCY. I don't know.

Senator GRAHAM. When is the Panama Canal going to expand?

Ms. DARCY. 2015.

Senator GRAHAM. That is next year.

Ms. DARCY. Yes, sir.

Senator GRAHAM. Don't you think we need to get on with it?

Ms. DARCY. We will.

Senator GRAHAM. Okay.

To the chairman and the ranking member, I have really enjoyed working with both of you trying to come up with a strategy. But I don't know what you tell the American people. The Panama Canal is going to change shipping as we know it in the Gulf area, along the East Coast. Our West Coast ports have different needs, but many are going unaddressed.

And I would just urge the administration and this committee to see if we could come up with a strategy fairly soon. You got any ideas on how to make that happen?

Ms. DARCY. I think that, with the leadership of this committee and those of us in the Administration who have the same goals, we should be able to sit down soon and see what those are and how we get there.

Senator GRAHAM. Do you have any idea how much money it would take to have a comprehensive strategy to deepen ports, to dredge the Mississippi River in an effective way, making our inland ports more effective, and to deal with our capacity problems along the West Coast? Could you ballpark how much money it would take?

Ms. DARCY. I can't even envision the ballpark.

Senator GRAHAM. Could you try to envision that, report back to us, and we will see if we can find the money if it makes sense to us?

Ms. DARCY. We will do that.

Senator GRAHAM. Thank you.

Senator FEINSTEIN. Before recognizing Senator Tester, for just a minute. If you remember, we talked about this a lot. And as it washed out, California could never get its fair share back.

Senator GRAHAM. Well, let us fix that.

Senator FEINSTEIN. That is a problem.

Senator GRAHAM. Let us fix that.

Senator FEINSTEIN. If you can devise a sharing ratio for this, this funding that is based on what States pay in. But California is the biggest State to pay in and gets very little back. That is a problem.

Senator GRAHAM. And I would just say, Madam Chairman, yes, nobody wants to be unfair to California. There is the immediate needs of upgrading our infrastructure, and there is the way we collect money and how we disburse it.

What I am thinking about trying to do is create a pot of money that fixes your capacity problems—new money—that helps deepen East Coast ports and will take care of the Olmsted Lock and Dam, and we can have those sort of one-time capital expenditures and we can come up with a new way to disburse the money. I think the needs are great and are being unaddressed as a Nation, and we are running out of time.

So that is just my 2-cents worth. See if you can come up with the money to improve our infrastructure and deal with the allocations kind of as a separate issue. That is just my thought.

Senator FEINSTEIN. Thanks, Senator.

Senator Tester.

Senator TESTER. Well, thank you, Madam Chair. And I want to thank the chairman and the ranking member for their work on this committee.

And I would go back to Senator Graham's first statement when he said we ought to be beating up on ourselves. The truth is, I wonder what would happen if the President came out with a budget that talked about how much spending had to be done to build up our infrastructure. My guess, there would be ads runs saying this administration is a bunch of big spenders. And that is the way our election system works these days.

If you don't believe it, take a look at a GSE (Government sponsored enterprise) housing reform bill that some hedge fund folks don't like, and they are running ads right now against Democrats and Republicans because they don't like the policy. We have got to fix that. If we fix that, we help fix you guys.

And I want to thank you all for being here because, quite frankly, all these issues are very, very important to all of us, and they are all about infrastructure, and they are all about water. And it is pretty hard for you guys to say that project isn't worthy because every one of them are.

And so, I am going to talk about some regional water systems in the President's budget that came out, and it was funded at half the amount it was funded at last year. And quite frankly, these projects have been around longer than I have been involved in State or Federal politics, and they are projects that are getting more expensive by the day, not less expensive. Yet the administration cuts them by 50 percent. Could you tell me the thinking behind it?

Now, the projects I am talking about are projects like North Central Water Project in Montana, the Northeastern Water Project in Montana, and there is probably projects throughout the country that are the same as them.

Can you tell me what kind of thought process goes into cutting those kind of water projects? I am looking at you, Lowell, you can rock and fire.

Ms. CASTLE. Senator Tester, if you wouldn't mind me taking that?

Senator TESTER. You can do it, too. I am happy to hear from anybody.

Ms. CASTLE. I will step into the fire.

We do take rural water projects and the projects that you are talking about very, very seriously. They are important for the Na-

tion. I will say that we very much appreciate this subcommittee's work to provide additional funding for Reclamation's rural water projects in the 2014 Omnibus Appropriations Bill.

We were not able to, within our budget constraints, come up with the same amount of funding for the rural water program for the 2015 request. We are trying, as Secretary Darcy said, to do our part to balance the budget and to reduce the Federal deficit. And it is really another version of the conversation that was taking place here just earlier.

But we are proposing to fund the Fort Peck project at \$3.2 million and to fund the Garrison project at \$12.3 million. So we are doing what we can within a responsible budget to move those projects forward.

Senator TESTER. We have already invested north of \$100 million, maybe \$150 million, in the project you just talked about, the Northeastern Water Project. I will tell you that—and this is with all due respect—\$3 million doesn't start up the pickup in that project. It is a fact. It doesn't.

The O&M on that project is \$1.5 million. And so, \$3 million, I appreciate it. I love you for it. But the fact is it doesn't even come close to what we need for that project, that one project. And we have got another one in the north central part of the State. And these projects have been around since the 1990s.

And so, we are going to work on beefing that up. And hopefully, I can get the Chairman and Ranking Member to work with us, along with you guys, to give you some money that you can work with to be able to get some of these finished so we can get them off the books because, quite frankly, I don't want them to have to come to Washington, DC, anymore, begging for O&M, begging for money for the projects.

Intake Dam—I will be very quick on this one—is for either the BOR or the Army Corps. Been working this 52,000 acres irrigation project. There is a fish passage, okay? The fish passage has been somewhat—we spent a lot of money on it. Let us just put it that way.

We think it is going to work. We hope it is going to work. We don't know for sure if it is going to work. The concern is, is that after the work is done on that fish passage, if the BOR and Army Corps walk away from that and that fish passage doesn't work, we are going to break a bunch of irrigators.

What is your perspective on that, on that issue? And then if I didn't explain it well, I can do it again. But go ahead.

General BOSTICK. First, Senator, we agree with you. We believe it is going to work, and we are going to make every effort to work it to success. We are developing a Memorandum of Agreement with the Bureau that this summer will outline the long-term responsibilities that each of us will take. But we have learned from the past and are convinced that the plan that we are pursuing is going to be successful.

Senator TESTER. Do you anticipate—do you anticipate that long-term plan is going to be—if it doesn't work, it is not our problem?

General BOSTICK. We are in the business of trying to solve problems and solve challenges. We are going to find a way to work together with the Bureau to find the right way forward.

Senator TESTER. Okay. One last thing, if I might, Madam Chair? My time has overrun. I will be very quick.

Invasive aquatic species. Do you guys have a plan to make sure we are not transferring from one reservoir to another, from one body of water to another, from an Army Corps or Bureau of Rec standpoint?

General BOSTICK. I would say we have some of the foremost experts working in this area. ERDC (Engineer Research and Development Center) has some of the best minds working it. We have also learned a lot in the GLMRIS (Great Lakes Mississippi River Interbasin Study) study, where we are looking at Asian carp and other invasive species. I think, from all of that work, it will help us all throughout the country.

Senator TESTER. I don't need to tell you guys, I mean, this is a huge economic—it would turn things upside down really fast.

Thank you all. Thank you for the work you do. Thank you for your dedication to this country. Thank you for your dedication to water infrastructure. I look forward to working with you and the Chairman and the Ranking Member to get some of this stuff ironed out.

Ms. DARCY. Thank you, Senator.

Senator FEINSTEIN. Thank you, Senator. Senator Tester, if there are no other questions, we will thank our witnesses and look forward to working with you during the budget process.

ADDITIONAL COMMITTEE QUESTIONS

And I know members have some questions. The hearing record will remain open for 1 week, and additional questions for the record can be submitted to the subcommittee staff during this timeframe.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. JO-ELLEN DARCY

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

DROUGHT

Question. What actions has the Corps taken to address the historic drought in the West?

Answer. First, the Corps implemented temporary deviations to operations at Whittier and Prado Dams during the drought which has allowed the maximum capture of over 22,000 acre feet of water. Other deviation requests will likely be forthcoming.

Second, the California Department of Water Resources has been meeting with the Corps about permits for salinity barriers in the Delta. The Corps expects additional permit requests for other work, including pumps, siphons, wells and pipe extensions.

Third, the Corps is engaged with other Federal, State and local agencies to anticipate and assist in providing drought responses. Regionally, the Corps is participating in forums conducted by the California Office of Emergency Services, the lead State agency, regional water planning bodies and directly with project partners.

Fourth, the Corps is providing technical assistance to local communities. For example, the Corps provided technical assistance to Redwood Valley Water District to place a temporary floating pump platform in Lake Mendocino that will allow continued water withdrawal if the lake level falls below the permanent intake.

Question. Are there other actions that the Corps could be taking?

Answer. The Corps remains engaged with the California Drought Task Forces and is prepared to immediately act in processing deviations, regulatory permits and

emergency water assistance requests within existing authorities. To improve longer-term drought resiliency, the Corps is working with the National Weather Service on improving forecast-based decision parameters for reservoir operations.

Question. Are there statutory or other impediments that inhibit the role that the Corps could play in drought relief?

Answer. The Army Civil Works program's actions reflect its authorities. In a drought, for example, the Corps may be able to take steps to change project operations at a multi-purpose dam that includes water supply as an ancillary project purpose. In some cases, the Corps may also be able to provide certain emergency assistance under Public Law 84-99.

Question. Does the Corps have sufficient funding to address drought activities within the limited authorities available to you?

Answer. Yes.

WATER SUPPLY

Question. Questions have been raised about the Corps' operation of their lakes, particularly in California. The questions centers on the operating "rule curve". Many complain that the "rule curves" were developed 50 or more years ago and don't take into account the latest climate science or even observational data.

Does the Corps have a process to periodically reanalyze these "rule curves"?

Answer. Yes. Each dam or reservoir has a water control manual that is periodically updated based upon need including changing upstream and/or downstream conditions such as hydraulics, and dam operations. Engineering Regulation 110-2-240 directs the Corps to revisit the water control plans regularly. Updates vary from relatively minor to significant. A significant water control manual update could require an environmental impact statement, public involvement, endangered species coordination, engineering analysis, and economic analysis.

Question. Are the rule curves the only factor that governs whether water is released?

Answer. Rule curves provide the broad guidelines for reservoir operations. Specific releases are dependent on the conditions at that time.

Question. Is there any flexibility in these "rule curves"?

Answer. Yes. We have flexibility in these "rule curves". The deviation process allows this flexibility via several different paths for temporarily changing operations. A deviation can cover a short-term change in operations for gate inspection or downstream rescue, to a longer term change to address downstream levee improvements, construction at the dam or water supply enhancements. Deviations are typically requested by an outside agency and are evaluated by the Corps to ensure that the Congressional authorizations for flood and storm damage reduction are not compromised.

Question. What is the process for integrating the rule curves with the weather forecast when there is a storm on the horizon?

Answer. Technically, the Corps does not incorporate weather forecast in the rule curves. Rather, it uses weather forecasts to determine whether a deviation from the rule curve is warranted in a particular situation. A deviation is an approved reservoir operation that does not follow the rule curve. Deviations can be requested and approved for immediate short-term emergencies; or they can be requested and approved for non-emergency situations for longer durations. The deviation process allows short-term flexibility to safely adjust reservoir operations to meet current and anticipated conditions for floods and droughts.

Real-time reservoir operations are based on the amount of observed water on the ground in the form of rainfall, runoff, or snowpack. This reduces the potential for inducing damages as a result of operations based on weather forecasts with errors and uncertainties. Currently, the Corps is developing a research framework with NOAA's National Weather Service, River Forecast Centers, and other stakeholders to evaluate forecast reliability in conjunction with site specific constraints such as downstream capacity, uncontrolled flood wave timing, and other risk factors including floodplain development.

Question. Would it not be prudent to take some of the funding that is proposed in your budget for climate change and utilize it for these analyses?

Answer. No, that funding is needed to develop tools and evaluate options for broader programmatic changes in project design, construction, or operation. Generally, work on rule curves and the associated planning and implementation of operational changes for a particular weather forecast are funded with the project's Operation and Maintenance funds.

Question. How do you answer critics that accuse the Corps of "flushing" away water in a reservoir during a drought to maintain a "rule curve"?

Answer. Each dam is operated based upon its water control manual and authorizing documents. Rule curves in water control manuals are defined by the specific authorized purposes of each project as well as endangered species requirements and are generally designed to best mitigate risks during both drought and flood events, consistent with the other authorized purposes and existing law.

Question. Do any of the Corps reservoirs in California have the capacity for additional storage or the reallocation of storage for water supply?

Answer. Possibly. The Corps is conducting incidental water conservation studies at Prado and Whittier Dams that will define any capacity for additional storage or the reallocation of storage for water supply.

Question. At Lake Mendocino in Mendocino County, local interests desire to increase the height of the dam to obtain additional water supply storage. The locals are concerned that the Corps is going to walk away from this study without giving it the proper analysis.

What is the status of this study?

Answer. The Corps has reclassified the Coyote Valley Dam Feasibility Study as inactive based on the available preliminary data, which suggest that none of the alternatives considered is likely to be economically justified. In other words, the project costs are likely to exceed benefits. As a result, the fiscal year 2015 Budget does not include funding for this study.

Question. Why is it taking so long?

Answer. The Army has concluded that this study is not likely to result in a recommendation to construct a modification to the existing project.

Question. How much would it cost to complete the study?

Answer. The Corps has not developed a potential scope, cost, or schedule for further work on this study.

Question. How much storage might be available?

Answer. The calculation of the "expected yield" takes into account a variety of factors and is therefore only an estimate. However, assuming construction of the maximum raise proposed by locals (36 feet), approximately 25,000 acre feet per year could be an expected yield.

Question. Are there potential partnerships with other agencies that might lead to development of this water supply storage?

Answer. The Corps has explored this issue with the Bureau of Reclamation; however, the Bureau of Reclamation also requires a benefit-cost ratio of greater than one to recommend proceeding with this type of project.

NAPA RIVER, NAPA CREEK FLOOD PROTECTION PROJECT

Question. As you know, the Corps continues to work on the Napa River Flood Protection Project. The Administration proposed and Congress funded initiation of construction of this project in fiscal year 2000. The project now is about 70 percent complete. The unfinished project has already resulted in nearly \$1 billion in public and private investment in downtown Napa. Construction of the Dry Bypass element is the next major element to be accomplished. This element will allow the project to capture many of the anticipated benefits of the project. However, it is my understanding that this may be the last element of the project that the Corps will pursue.

Is this correct?

Answer. That is correct. The remaining elements of the project have a benefit-cost ratio of less than one (costs exceed benefits) and are not required to achieve flood risk reduction outputs from the portions of the project that the Corps has already constructed. As a result, Federal investment in constructing the remaining elements is not economically justified. The Corps conducted a post authorization study in 2012 that determined that the last economically justified element of the project was the Dry Bypass. The groundbreaking for the Dry Bypass project is today and is anticipated to complete in June 2015.

Question. What work remains?

Answer. The unconstructed authorized project features include the west side floodwall, the Imola detention basin and pump station, the Tulocay floodwalls and pump station, the Oxbow bypass pump station, and the River Park Floodwall and levee.

Question. What is the cost of that work?

Answer. The estimated cost of these unconstructed elements is over \$200 million.

Question. Have the benefits of that work been reexamined?

Answer. Yes, the benefits and costs of both the total project and the remaining unconstructed authorized project elements were evaluated in the 2012 Limited Reevaluation Report (LRR) and subsequent Dry bypass justification. The total project

benefit to cost ratio was identified as 0.4 to 1 at 7 percent. Again, much of the benefits have been already captured with the work that has already been funded.

It is my understanding that the non-Federal sponsor is presently working to complete a value engineering study to identify the most cost effective solution for completing the project. This value engineering could reduce the cost of constructing the remainder of the project.

Question. Will you commit to having the Corps review the results of the value engineering study expeditiously so the Corps can use this information to determine the most cost effective solution to complete this critical flood protection project?

Answer. The non-Federal sponsor expressed an interest in executing an agreement to provide funding for the Corps to review this study. With such an agreement and funding, the Corps would review that study and evaluate its applicability to any future Corps efforts.

BUDGET JUSTIFICATIONS

Question. Can you describe the process for getting your budget justifications reviewed and approved? What can be done to improve the process?

Answer. Budget justifications are drafted at Corps Divisions and reviewed at Corps Headquarters, in my office, and with the Office of Management and Budget. All parties involved are committed to providing timely, quality budget justification materials. We are looking at how we can streamline our process, including better use of available technology and earlier coordination of the draft materials, while maintaining the quality of the end product.

BUDGET—REMAINING ITEMS

Question. Remaining items in most accounts appears to have been arbitrarily cut by 25 percent. How will that impact ongoing work? How will that impact the Corps R&D capability? What was the rationale for these cuts? Where you just trying to meet a number?

Answer. Some impacts to ongoing work are anticipated from these reductions. However, the amounts proposed for fiscal year 2015 reflect the relative priority of the proposed work.

For the research and development remaining item, the average execution of funds has been approximately \$16 million per year from fiscal year 2010 and fiscal year 2013. An additional \$10.6 million was provided to this remaining item in the fiscal year 2013 work plan above the fiscal year 2013 Budget level. Similarly, the fiscal year 2014 work plan provided approximately \$8 million more than the fiscal year 2014 budget.

Question. Who makes the decisions as to what will be requested in the budget for research? Is it a committee, a person, etc?

Answer. Each annual Budget is a product of a series of inputs at all levels of the Administration. For the research and development line item, Districts and Divisions annually identify their capability for research and development in the Budget year. Field review groups consisting of representatives from across the Corps prioritize those requests. The prioritized lists are then further prioritized by the Civil Works Research and Development Steering Committee at Corps Headquarters. Final funding decisions result from how well each proposed package of work competes with other potential programs, projects, and activities across the Nation.

Question. Is there a “backlog” of research awaiting funding?

Answer. The Corps identifies and prioritizes opportunities for additional research and development each year. These opportunities range from improvements to existing tools and capabilities to new research areas. On average, the Corps adds about 30 new items annually to the research and development portfolio. It selects these items each year from a larger pool of potential items (old and new) for research and development.

Question. Does the Corps accept research proposals from other institutions?

Answer. Yes. The Corps accepts proposals through its Broad Agency Announcements on select research topics that are identified and published annually at <https://www.fbo.gov/index?s=opportunity&mode=form&id=88442561687c1770755b4b38e8231474&tab=core&—cview=1>.

BUDGET—CONSTRUCTION

Question. You have proposed to initiate a \$2 billion ecosystem restoration construction project as the lone new construction start in your budget request. It would appear that the inclusion of this project coupled with the declining construction requests will assure one of two outcomes. Either there will be continued inefficient funding of the projects that you propose or you plan to further reduce the number

of construction projects in the budget request? Can you explain how the Corps was able to rationalize including this project when the construction account was cut \$225 million from your previous budget proposal?

Answer. Although construction of the full program referenced—Louisiana Coastal Area (LCA) ecosystem restoration program—would involve a significant investment of resources, the importance of this ecosystem makes it an important new start for the Nation. Louisiana contains one of the largest expanses of coastal wetlands in the contiguous United States, and has experienced 90 percent of the total coastal marsh loss in the Nation. Its coastal wetlands provide nationally significant habitat to migratory bird species, help protect an internationally significant commercial-industrial complex and communities from storm-driven waves and tides, and support commercial and recreational fishing activities. Additionally, the Corps has proven its ability to complete construction projects in recent years. In fiscal year 2014, 34 construction projects were funded to completion, and in fiscal year 2015, nine more projects are funded to completion. The Corps' ability to complete these projects will make additional funds available to support the construction of this environmentally and economically significant new start.

Question. You have cut the number of funded construction projects in your budget request from 81 in the fiscal year 2014 request to 63 in the fiscal year 2015 request, a reduction of 18 projects. Yet your budget indicates only 9 projects are funded to completion in fiscal year 2015.

What is the status of the 9 projects that didn't get completion funds and are not budgeted?

Answer. The 2014 and 2015 Budgets included 80 and 66 construction projects, respectively. Besides completions, there were 13 projects that were in the fiscal year 2014 Budget, but not included in the fiscal year 2015 Budget.

Project	Reason not included in fiscal year 2015 Budget
Cape May Inlet to Lower Township, NJ	Sandy Supplemental funded
Columbia River Channel Improvements, OR	A Corps decision on further funding for this study is on hold pending completion of EPA decision on contaminated sediments
Fire Island Inlet to Montauk Point, NY	Sandy Supplemental funded
Fort Pierce Beach, FL	Periodic Renourishment; no funds needed
Great Egg Harbor Inlet and Peck Beach, NJ	Sandy Supplemental funded
Little Calumet River, IN	Local sponsor is behind on its cost-share
Lower Cape May Meadows, Cape May Point, NJ	Sandy Supplemental funded
Lower Snake River Fish and Wildlife Compensation, WA, OR & ID	Proximity to 902 limit
Nassau County, FL	Periodic renourishment; no funds needed
Pinellas County, FL	Periodic renourishment; no funds needed
Turkey Creek Basin, KS & MO	Proximity to 902 limit
Wilmington Harbor, NC	Project will complete with carryover funds
Wrightsville Beach, NC	Periodic renourishment; no funds needed

Question. How is it reasonable to budget for these projects 1 year and not budget for them the next?

Answer. Changed conditions as shown in the above table.

Question. Have the local sponsors been notified? What were they told?

Answer. Yes. Sponsors were notified of the changes in annual funding, along with the reasons, based on the particulars of the projects.

Question. Isn't there an inherent commitment that, once started, the government will see these projects through to completion?

Answer. No. Budget decisions are made on an annual basis based on a comparison with other potential uses of the available funds including deficit reduction, and reflect a range of considerations.

Question. Doesn't your budgeting process, contribute to projects becoming less competitive by stretching out the construction period thereby increasing project costs to the Federal Government and the local sponsor?

Answer. The Budget process seeks to achieve the best overall use of available resources.

BUDGET—INVESTIGATIONS

Question. Your planning initiative has proposed that studies be completed in 3 years for \$3 million or less. You are claiming credit for completing 34 studies, 29 feasibility studies and 6 preconstruction engineering and design studies in the fiscal

year 2015 budget request yet 15 of these studies were not included in your fiscal year 2014 budget request but most showed up in your fiscal year 2014 work plan.

These studies would not have been completed were it not for the additional funds Congress provided above the budget request in fiscal year 2014 since the Investigation account was reduced by \$10 million in your fiscal year 2015 proposal. I hate to seem cynical here, but it appears that you are deliberately underfunding the investigations account and depending on Congress to increase the account.

Question. As studies are rather cheap in the scope of Corps funding, why doesn't the administration provide for more robust spending on studies?

Answer. The Budget funds those studies that the Corps has identified as having the greatest chance of leading to a proposed water resources solution.

Question. Is it as many suspect, that the Administration does not want to complete studies because they may lead to additional construction projects?

Answer. No. My guidance to the Corps is to complete the selected studies as efficiently as possible without compromising quality.

Question. Or does the Administration believe that the studies are unwarranted?

Answer. No, the fiscal year 2015 Budget included funding for 78 studies of options that we believe have the potential to produce positive economic and environmental returns across the Nation.

Question. Secretary Darcy, generally the Investigations for Corps projects are divided into three studies, the reconnaissance, the feasibility and preconstruction engineering and design. Congress intended for this to be a "seamless" process, both from the funding and budgeting standpoint, from the new start decision to begin the study process to the completion of the preconstruction engineering and design study. It appears from the budget request that the Administration has abandoned that seamless concept.

Has the Corps created a new start decision point for the feasibility and PED phase?

Answer. There is a need for an initial investment decision for a Corps study, which occurs before starting a reconnaissance study. The Corps also reviews the status of each study through the annual Budget process to determine whether there is still a sufficient basis to continue to fund that study. When the study phase is completed, the Corps uses performance standards to select the projects funded in the Budget for preconstruction engineering and design work.

Question. Do studies have to compete for these "new start" decisions?

Answer. The only studies that compete as "new starts" for inclusion in the Budget are reconnaissance studies.

Question. What criteria are used for these decisions?

Answer. Criteria considered when selecting which reconnaissance studies to propose for funding include the likelihood that a study will lead to a proposed water resources solution, the extent of the water resources problem and its urgency, compliance of the study with Executive Branch policy, non-Federal sponsor support for the study, and likely participation of non-Federal sponsor in implementation of a proposed solution. More specific criteria are applied based on the kind of problem that is being addressed. For example, flood risk management studies are evaluated on factors such as the population impacted, area of inundation, and the risk and consequences of flooding.

Question. Was Congress notified of this change in budgeting process?

Answer. There has been no such change to report.

Question. What is the rationale behind this change?

Answer. There has been no change to report.

Question. Is this just to limit the number of feasibility and PED studies?

Answer. There has been no change to report.

Question. Isn't this process a disincentive for a local sponsor to sign a cost sharing agreement?

Answer. The increased emphasis on the successful completion of each study phase is an incentive to partner with the Corps.

Question. Why would a local sponsor partner with the Corps on a study if there is no assurance that the Corps intends to see the entire Investigations phase through to completion?

Answer. Our local sponsors understand that no one can guarantee them future funding, as Army Civil Works funding decisions are made on annual basis. However, the SMART planning process has helped in this regard. Under this initiative, the completion of ongoing feasibility studies is a priority, and Corps will be able to complete them sooner.

FISCAL YEAR 2014 WORK PLAN

Question. In the fiscal year 2014 work plan for construction, the Administration has left \$28 million unallocated for shore protection. It is my understanding that while you may have funded all of the ongoing construction projects, that there is a backlog of reimbursements of prior shore protection work that could be funded. Why are these funds unallocated? Is there a reason that the Administration is not allowing reimbursements of shore protection work?

Answer. The fiscal year 2014 work plan includes \$23 million for reimbursements of prior shore protection work performed by non-Federal sponsors. Reimbursements were considered and included in the work plan development process, but the remaining funds are unallocated due to the lack of projects that could use those funds to accomplish work in fiscal year 2014. We are continuing to assess whether additional projects could use the unallocated work plan funds and will keep you apprised of any allocation decisions that are made.

Question. Also in the Investigations account of the fiscal year 2014 work plan there appear to be nearly \$8.5 million of the \$35 million above the budget request that Congress provided that is currently unallocated. As chronically stressed for funding as the Investigations account seems to be, surely there are studies where these funds could be applied. Why do these funds remain unallocated?

Answer. A combination of factors resulted in some Investigations funding remaining unallocated. There were slippages and changes in capability since the submission of capability prior to the conference. Also, there were some studies that expressed a capability to use the funding, but not in fiscal year 2014.

That being said, the Army will continue to re-examine the capabilities and schedules of eligible studies throughout the year and apply the rating system that was used for the original work plan to those studies. Studies that become eligible for the unallocated fiscal year 2014 funding could receive those funds during this fiscal year. Those funds that remain unallocated by the end of fiscal year 2014 would be carried over, but the use of those funds would remain limited to the specified purposes of each remaining item.

HARBOR MAINTENANCE TRUST FUND

Question. The budget request proposes \$915 million be expended on Harbor Maintenance Activities. While this is an increase of \$25 million over your fiscal year 2014 request it seems that this increase, to a certain extent, was at the expense of other parts of the Corps budget, particularly when the O&M budget itself is reduced by \$88 million from the fiscal year 2014 request. Congress is serious about spending more of the revenues generated from the Harbor Maintenance Tax to dredge harbors to their constructed dimensions. What is it going to take to get this message through to the Administration? Were it not for the additional funding provided by Congress in fiscal year 2014, how many less projects would have been funded and what would have been the projected economic impact at a local and State level?

Answer. The Budget amount of \$915 million for Harbor Maintenance Trust Fund eligible activities reflects an appropriate amount. The level of Federal spending to support harbor maintenance and related work should reflect consideration for the economic and safety return of these investments, as well as a comparison with other potential uses of the available funds.

The Army allocated \$62 million for harbor maintenance and related work at 59 additional projects from the O&M funds added by the Congress. The Corps does not track projected economic impacts at the local and State levels, and an extensive study would be required to determine those impacts.

Question. The metrics that are used in the budget to determine which harbors to dredge have nothing to do with the economics analysis for which those projects were analyzed, justified and constructed. To utilize different metrics on a completed project is to assume that they should not have been built in the first place. If that is the Administration's intent, they should propose these projects for deauthorization in a WRDA bill rather than not funding them until the projects are no longer viable. How do the metrics that are used in the budget request have any bearing on the economics of the project as it was conceived, analyzed and constructed? Wasn't the 50 year maintenance of the project included as one of the costs in the economic analysis of the project?

Answer. The economic analysis that the Corps performs when it formulates a proposed coastal channel improvement typically involves a set of assumptions about how the future will unfold at that port, in that region, and globally over a period of 50 years following completion of construction of the project. Generally, the Corps uses these forecasts to estimate the potential future transportation cost savings for

a set of predicted commodities and vessels. There is a great deal of uncertainty embedded in these assumptions.

Once the Corps has constructed a coastal navigation project, conducting a detailed economic analysis to inform annual spending decisions is not practical. Instead, the Corps considers a variety of factors to prioritize harbor maintenance and related work. The Corps uses tonnage to classify coastal ports based on their level of commercial use. This provides a good initial indicator of both the usage and the economic value of a coastal navigation project. However, in deciding how to allocate funding among projects, the Corps considers other factors as well. All of these factors, when considered together, are indicative of the return that can result from a proposed harbor maintenance activity. Nonetheless, as a first order approximation, the greater the tonnage, the greater the transportation savings that can accrue.

Similarly, while our studies typically include the estimated costs of operating and maintaining the proposed project over 50 years, these 50-year cost estimates are based on assumptions and projections. However, conditions change and these changes can include less usage than expected, more costs than expected, and other factors, which may warrant consideration in developing priorities for the use of operation and maintenance funding.

INLAND WATERWAY TRUST FUND

Question. There is an ever increasing backlog of work to be accomplished on the inland waterways system. The budget request has repeatedly referred to assume that the lockage fees that have been proposed are enacted. As has been stated by both the House and the Senate, this is not a proposal that Congress will accept. Fortunately you have not included these assumed revenues into your annual budget request but rather used them as an offset against future spending. While this may be a clever budget gimmick, it does not really solve the problem of inadequate funding on the inland waterways system.

This subcommittee has developed a solution for fiscal year 2014 that shifts an additional part of the burden of the Olmsted Lock and Dam project to the General Treasury from the Inland Waterways Trust Fund. This is a short term solution but we recognized that this was the only way to move other inland waterway projects forward. This solution has freed up more than \$80 million for other inland navigation work.

Question. Does the Administration plan to develop and propose a solution to the funding inadequacies of the inland waterways system that could be acceptable to all parties?

Answer. The Administration submitted a proposed vessel use fee to the Congress in September 2011 that would supplement the revenue from the existing diesel fuel tax with a user fee paid by the commercial users of the inland waterways.

The Administration's proposal would generate an estimated \$1.1 billion in additional revenue over 10 years from the commercial users of these inland waterways. This amount reflects estimates of future capital investment for navigation on these waterways over the next decade, including an estimate adopted by the Inland Waterways Users Board. The proposal is needed to ensure that the revenue paid by commercial navigation users is sufficient to meet their share of the costs of capital investments on the inland waterways, which would enable a significant increase in funding for such investments in the future.

Under the Administration's proposal, the Corps would be able to structure the user fee in two tiers. Nearly all of the capital investment by the Corps to support commercial navigation on these waterways involves work at Corps locks and dams. Under a two-tiered fee system, those who use the locks and dams would pay more of the non-Federal share of capital investments, as they should. This would increase economic efficiency by requiring the specific users who benefit from these investments to internalize the costs. The Administration's proposal also includes other needed changes, which would clarify the scope of cost-sharing for inland waterways capital investment, and the authority for appropriating funds from the Inland Waterways Trust Fund and from the General Fund to finance inland waterways costs; and would close an existing loophole under which traffic on roughly 1,000 miles of the inland waterways does not now pay the fuel tax.

Question. What is the backlog of construction work (major rehab and other) needed to modernize the inland waterway system?

Answer. The Administration's legislative proposal reflects estimates of future capital investment for navigation on these waterways over the next decade, including an estimate adopted by the Inland Waterways Users Board. The Corps does not have a specific, fixed multi-year investment plan for these waterways. The Congress has authorized many projects that the Corps has not built, some of which have a

low economic return. Other investments, particularly work to maintain, repair, and rehabilitate existing inland waterways projects with a high level of commercial use, may prove to be a better investment.

Much like the metrics that are used for determining whether to dredge a port, there are similar metrics for maintaining inland waterways.

Question. Would the Corps consider other metrics that are more in line with how projects are analyzed and built as opposed to the tonnage based metrics currently used?

Answer. Once the Corps has constructed an inland waterways project, conducting a detailed economic analysis to inform annual spending decisions is not practical. Instead, the Corps considers a variety of factors to prioritize operation and maintenance work. The Corps uses segment-ton-miles to classify inland waterways based on their level of commercial use. This provides a good initial indicator of both the usage and the economic value of each of the inland waterways. However, in deciding how to allocate funding among projects, the Corps considers other factors as well. All of these factors, when considered together, are indicative of the return that can result from a proposed operation and maintenance activity. Nonetheless, as a first order approximation, the greater the segment-ton-miles, the greater the transportation savings that can accrue.

Question. How are these lower use projects expected to compete, if they don't have enough tonnage to be dredged and they can't attract business because the channel is unreliable?

Answer. The Corps views the navigation program from a national perspective, and focuses on the investments that will provide the best returns to the Nation. However, the Budget also includes significant funding for navigation projects with a low level of commercial use (coastal as well as inland). In allocating these funds, the Corps considers a range of factors. These include the need to operate and maintain locks; use of a harbor as a critical harbor of refuge or a subsistence harbor; whether the coastal port or inland waterway supports public transportation, U.S. Coast Guard search and rescue operations, the national defense, or other Federal agency use; the reliance on marine and inland transportation for energy generation or home heating oil deliveries, and the level of commercial use.

Question. What is the backlog of major maintenance that needs to be accomplished on these waterways?

Answer. The Corps does not keep track of a backlog of maintenance work as such on an ongoing basis. Instead, it compiles a new estimate each year of the sum of all amounts not funded that the individual project managers say they could efficiently and effectively use by the end of the fiscal year. The Corps uses economic data and other objective performance measures to inform its decisions on the best way to allocate funds. All of the maintenance work funded in the Budget is of higher priority than the unfunded work.

The Corps uses the term "major maintenance" to refer to a specific type of maintenance activities. Major maintenance refers to a non-repetitive item of maintenance work or aggregate items of related work for which the total estimated cost exceeds \$6 million, which does not qualify as major rehabilitation. At this time, there is approximately \$547 million in such work that has not been funded on inland waterways projects.

WATER SUPPLY

Question. With the continued drought throughout the western United States, it is more important than ever that Federal water agencies work together to assist States and local communities in addressing needs. It is also very important that Federal water agencies ensure they are doing all they can to enhance the resources within their authorities. I appreciate the effort of the Corps of Engineers in collaborating with USDA, DOI, and other Federal agencies to address these needs. I understand across the U.S. the Corps of Engineers stores more than 10 million acre-feet of water for Municipal and Industrial Water Supply (M&I) behind the multi-purpose reservoirs it operates and maintains. This is enough to meet the annual needs of 6.8 million households. A majority of this M&I water supply storage is located in reservoirs in the arid southwestern U.S.

What is the Corps of Engineers doing to work with local and State governments to ensure the multi-purpose reservoirs it operates and maintains that include M&I water supply storage are being operated and maintained to efficiently manage the waters stored, especially during this period of long term drought?

Answer. Each Corps of Engineers reservoir has a water control plan devised to guide effective operations for meeting the Congressionally-authorized project purposes, including a drought contingency plan. In many cases, the water control plan

includes basic changes to the normal operating regime in the event of a drought. The Corps also may provide a temporary deviation from established reservoir operations in response to drought conditions. For example, two such deviations were recently granted in Southern California in response to the current drought. These deviations apply to site-specific, current conditions and requests for modification and do not constitute permanent changes to the water control plan. Flexibility in operations is subject to the limitations of project authorities and Federal law, environmental compliance, dam safety considerations, and associated flood and storm damage reduction considerations. The Corps has also actively participated on drought coordination teams in affected regions of the country throughout this period of drought.

Looking just at the Corps of Engineers' multi-purpose reservoirs west of the Mississippi River, there is more than 1.4 million acre-feet of M&I water supply storage that has not been activated. Can you provide me a listing of the projects, with information on the State, congressional district, the amount of storage, estimated population this storage could serve, and the estimated date for when this storage will be activated?

Answer. See attached tables for a listing of the projects, with information on the State, congressional district, the amount of storage, estimated population this storage could serve. The Corps does not have dates for anticipated activation—activation is dependent on State and local authorities requesting activation and paying for the storage space, among other conditions of contracts for storage, pursuant to statutory authority, e.g., the Water Supply Act of 1958. The Corps published its most recent inventory of all M&I water supply contracts and storage in 2012, including inactivated storage: “2011 M&I Water Supply Database” (USACE Institute for Water Resources, 2012). This publication can be found online at: <http://www.iwr.usace.army.mil/Portals/70/docs/iwrreports/2012-R-02.pdf>. For the 135 Corps reservoirs that have M&I water supply storage, the database includes storage space, user, contract data (size, date, cost, etc.), State, and other information.

Question. As a measure to enhance the ability of these reservoirs to meet the M&I water supply needs of the western U.S., are there any issues as to why this storage has not been activated to meet the Nation's M&I water supply needs?

Answer. Initiatives to activate storage are the responsibility of State and local entities. States and non-Federal entities have the primary responsibility in the development and management of their water supplies including the financial responsibility of providing supplies to users.

Question. Are there any actions within the Corps of Engineers existing authorities that could be done to enhance the amount of M&I water supply storage at reservoirs operated and maintained by the Corps of Engineers?

Answer. Yes. The Corps continues to undertake storage efficiency measures to address conditions in storage reservoirs such as leakage, unintentional spilling, and sedimentation. Requests to activate existing storage, to reallocate storage to M&I from other purposes, or to contract for use of surplus water (where available) can be considered by the Corps at the initiative of State and local sponsors.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. In January, the Army Corps of Engineers released the Great Lakes Mississippi River Inter-basin Study Report (GLMRIS). In the report, the Corps lays out several pathways to prevent invasive species from transfer between the Chicago Area Waterway and Lake Michigan.

In the GLMRIS report, the Corps estimates that the costs of these actions would be \$8 billion to \$18 billion dollars and would take up to 25 years to build if all the funds were readily available. This is unlikely to ever occur as Army Corps of Engineers' budget for similar construction projects on all navigable waterways in the United States in fiscal year 2014 is \$1.66 billion.

Given this fact, many residents in my State what to know what practical short- and medium-term steps can be taken to thwart the transfer of invasive species.

In your estimation, what actions can be taken by the Corps and other key stakeholders—local and State agencies, other Federal agencies, private actors—in the 5 years that would provide the greatest additional risk reduction from the aquatic invasive species threat?

Answer. The Asian Carp Control Strategy Framework, which is developed by the Asian Carp Regional Coordinating Committee (ACRCC), is the best resource for identifying actions that will reduce the threat of self-sustaining populations of Asian Carp from becoming established in the Great Lakes. The Corps currently operates three electric barriers to control transfer of fish from the Mississippi River basin to-

ward the Great Lakes. Construction of a permanent upgrade to the existing Demonstration Barrier is underway.

At Eagle Marsh, Fort Wayne, IN, previously identified as the highest priority potential ANS transfer pathway outside the Chicago area in the GLMRIS Other Pathways Preliminary Risk Characterization released in 2010, the Corps is currently providing planning support to the Natural Resources Conservation Service and local stakeholders in design of a long-term mitigation measure. The goal of the NRCS and the Indiana Department of Natural Resources is to begin construction of the measure in 2014.

The ACRCC is currently developing a revised Framework that will outline the most pressing actions needed to reduce the risk from the aquatic invasive species threat.

Question. What funding and legislative authority would the Corps and other stakeholders need to accomplish these actions?

Answer. As seen in Framework documents from previous years, both agency-based funding and the Great Lakes restoration Initiative (GLRI) funding are being used to focus on short and long-term controls to reduce the risk of Asian carp invasion to the Great Lakes Basin. The ACRCC has not identified a need for additional legislative authority at this time.

Question. Are these actions integral to any of the longer term control options outlined in GLMRIS? If so, which ones and how?

Answer. Several studies by Great Lakes Commission and the Army Corps have suggested the Brandon Road lock and dam may be an effective control point for upstream movement of Asian carp. To further inform control efforts, studies focused on this location and other potential bottlenecks (Starved Rock and Lockport locks and darns) can expedite future actions.

Question. Given that any action to reduce the risk of aquatic invasive species transfer to or from the Great Lakes basin will have both regional and national benefits, has the Corps considered options for cost-sharing all or part of the options outlined in the GLMRIS report? If so, what are the cost-sharing options? Is there a precedent for a multi-partner cost-sharing agreement?

Answer. No detailed options for cost-sharing were outlined in the report. However, if a decision were made to recommend an alternative from the GLMRIS Report, the Corps would consider its existing cost-share policies and experience with multi-partner cost sharing agreements, which have been utilized previously.

QUESTIONS SUBMITTED BY SENATOR LAMAR ALEXANDER

WATERS OF UNITED STATES

Question. As I mentioned, there are great concerns among Tennessee farmers that your proposed rule to define waters of the United States will cover ditches, stock ponds, and other water facilities that have not been regulated before. While facilities on one farm might not meet the substantial nexus test that the rule proposes, the rule allows your agency and the EPA to simply aggregate all the water facilities from the surrounding area to bring them all under the regulation. Allowing regulation by aggregation could mean that any limits on the power to regulate under the Clean Water Act are meaningless because the Federal Government could just keep adding in more and more areas until they find a substantial nexus.

Is this a way for the Federal Government to regulate water facilities that it did not in the past?

Answer. The Army believes that the proposed rule is consistent with the statute, the applicable science and the U.S. Supreme Court case law, more specifically the Court's decisions in *Riverside Bayview Homes* in 1985, *Solid Waste Agency of Northern Cook County (SWANCC)* in 2001, and *Rapanos/Carabell* in 2006. Our goal in this rulemaking is to provide the clarity, consistency, and predictability members of Congress and the regulated public have requested while remaining faithful to the requirements of Federal law. The scope of regulatory jurisdiction under the CWA in this proposed rule is narrower than that under the 1986 regulations, but may be greater than under the 2003 and 2008 agency policy guidance.

One way CWA jurisdiction under the proposed rule is narrower than under the existing rule is the requirement for "other waters" to have a "significant nexus" with navigable waters to be determined jurisdictional. Informed by the *Riverside Bayview Homes* decision, in both *SWANCC* and *Rapanos*, a majority of Justices required the agencies to afford meaning to the word "navigability" by finding a significant nexus between non-navigable waters, including adjacent wetlands, and downstream navigable waters. As Justice Kennedy wrote in *Rapanos*, "to constitute 'navigable wa-

ters' under the Act, a water or wetland must possess a 'significant nexus' to waters that are or were navigable in fact or that could reasonably be so made." Thus, the Army and EPA collectively determined it is reasonable and appropriate to apply the "significant nexus" standard for CWA jurisdiction to other categories of water bodies as well, for example tributaries of traditional navigable waters and "other waters," to determine CWA jurisdiction, whether by categorical rule or on a case-specific basis. The proposed rule includes revisions to the definition of "waters of the United States" in light of these Supreme Court decisions.

A second examples of how jurisdiction under the proposed rule is narrower than under the existing rule is the categorical exclusion of certain waters and ditches from jurisdiction.

The Army recognizes that the U.S. Supreme Court has defined certain limits on the scope of the CWA as expressed in the SWANCC and Rapanos decisions and the proposed rule is, in our view, consistent with those decisions, codifies the agencies' interpretation of the Supreme Court rulings, and will replace the 2003 and 2008 jurisdictional guidance.

Question. What are the limits of aggregation?

Answer. In order to effectively serve the purpose of the Clean Water Act, waterbodies must be understood as elements of larger systems that function together as has been demonstrated by our best science. The agencies have concluded in the proposed rule that to understand the health, behavior, and sustainability of downstream waters, the effects of small water bodies in a watershed need to be considered in the aggregate. The effect that a single waterbody has on a downstream navigable water may be small when considered in isolation, but the aggregated effects of all similarly situated waterbodies in the same watershed can be substantial.

"Other waters," which are waters that do not fall within one of the categories jurisdictional by rule under the agencies' proposal, will be evaluated either individually, or as a group of waters where they are determined to be similarly situated in the region. The agencies propose to interpret the "region" within which similarly situated waters would be aggregated as the watershed that drains to the nearest traditional navigable water, interstate water, or the territorial seas. Waters are similarly situated where they perform similar functions and are located sufficiently close together or when they are sufficiently close to a jurisdictional water. How these other waters are aggregated for a significant nexus analysis depends on the functions they perform and their spatial arrangement within the region. For other waters that perform similar functions, their landscape position within the region relative to each other or to a jurisdictional water is generally the determinative factor. This significant nexus analysis will focus on the degree to which the functions provided by those other waters affect the chemical, physical, or biological integrity of "waters of the United States" and whether such effects are significant.

This combination of functionality and proximity to each other or to a "water of the United States" meets the standard provided by Justice Kennedy in the Rapanos case decision. The agencies recognize that examining both functionality and proximity of these factors will reduce the frequency of aggregation of other waters for significant nexus analysis.

The proposed rule sets forth several different options for how other waters should be determined to be similarly situated and aggregated in order to solicit comment and input from the regulated public regarding what standard for aggregation would provide the most clarity, certainty, and predictability.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

FUNDING FOR THE MISSISSIPPI RIVER AND TRIBUTARIES PROJECT

Question. Mississippians are deeply concerned that the fiscal year 2015 Budget for the Army Civil Works program includes only \$245 million for the Mississippi River and Tributaries (MR&T) project. That is far below last year's budget request and \$62 million below what Congress provided in the fiscal year 2014 Omnibus Appropriations Act.

If Congress provides additional funding for the Mississippi River and Tributaries (MR&T) program to increase preparedness and reduce risks associated with events such as the 2011 Mississippi River Flood, could you put those funds to good use?

Answer. The Budget reflects our recommendation for this program, relative to other potential uses of those funds including deficit reduction. However, some additional funding could be used to help increase preparedness and reduce flood risks in the area. Also, preparedness funding generally is in the Flood Control and Coastal Emergencies account, and is not specific to the MR&T program.

2. Should the Mississippi River fall to near-record lows as it did in the fall of 2012, would additional funding for maintenance dredging prevent negative impacts on waterborne commerce and rural economies?

Answer. The specific work would depend on the nature of the problem. For example, the focus of our response to support navigation on the Mississippi River during the last drought was on rock work and other structural changes to the navigation channel, which would also be effective in a future drought.

ENVIRONMENTAL INFRASTRUCTURE ASSISTANCE

Question. In recent years the president's budget has included very little—if any—funding for environmental infrastructure assistance. Many towns, cities, and municipalities across the country need assistance to upgrade their wastewater treatment and water supply facilities. Currently there are a large number of projects in Mississippi ready to move forward, but need funding and approval to execute a Project Partnership Agreement. Without environmental infrastructure assistance, many small towns and municipalities will remain noncompliant and in violation of Federal laws.

Would you be willing to work with Congress to help address the environmental infrastructure needs of small towns and cities, especially those in more rural and underserved areas?

Answer. The Congress has authorized the Corps to provide such funding for specified States and, in some cases, for specified areas within a State. However, the Executive Branch believes that this program should not be an Army Civil Works responsibility.

Question. Are there specific ways in which the Subcommittee can be more helpful to the Corps on this issue?

Answer. No.

MISSISSIPPI RIVER LEVEE DEFICIENCIES

Question. The Mississippi River levee system protects people, property, infrastructure, and the environment from catastrophic flooding. There are currently 122 miles of deficient levees in the Vicksburg District alone, which puts people in Mississippi, Arkansas and Louisiana at risk. Catastrophic damage is likely to occur if the system is below authorized levels of protection, and the fiscal year 2015 funding level for levee improvements is roughly \$17 million below the system's total capacity.

What was the Corps' decisionmaking process in determining the requested level of funding for levee construction improvements?

Answer. The Corps uses performance-based metrics to allocate funds among the projects in its construction program.

Question. Would you agree that catastrophic damage could occur if the system is not maintained at the authorized level of protection?

Answer. There is always a residual risk of serious flood damage in a large flood, anywhere in the country, even with well-maintained levees and substantial bank protection. The Corps has been constructing the levees and the other features of the MR&T main stem system since the 1930's. Construction and maintenance is ongoing. The Corps uses risk-based methods to prioritize the work to address potential vulnerabilities. The 2011 floods subjected this system to historic flood loads, and the system functioned successfully.

Starting in fiscal year 2014, the Budget is funding a multi-year effort to collect and study basic data that will update the system's flow lines and flow capacity. The purpose of this study is to identify ways to improve upon the MR&T main stem system's operations plan to ensure continued performance of the system.

LACK OF FUNDING FOR UPPER YAZOO PROJECTS

Question. The Upper Yazoo Projects (UYP) within the Mississippi River and Tributaries (MR&T) system includes channel and levee features along the Yazoo, Tallahatchie, and Coldwater Rivers. The project provides important flood risk reduction measures in the Yazoo Basin. There are significant risks, such as loss of life as well as agricultural and timber production, associated with an absence of funding for the project. However, the president's budget has not included funding for the Upper Yazoo Projects in the last few years.

Given the current confinements with regard to addressing specific projects, what can Congress do to help you address critically important projects such as this one, that don't seem to be as competitive as other projects under your criteria, for one reason or another?

Answer. The Corps uses performance-based metrics to allocate funds among the projects in its construction program. The Corps views its flood and storm damage

reduction mission from a national perspective, and focuses on the investments that will provide the best returns to the Nation.

Question. Would you consider completion of the Upper Yazoo Project important, since Congress has already invested nearly \$300 million in the project to date?

Answer. We would evaluate the potential work on this project and on other projects, and allocate funds in the way that provides the best overall return from a national perspective.

MAINTENANCE DREDGING FOR MISSISSIPPI RIVER PORTS

Question. Agriculture is a top industry in Mississippi and farmers rely heavily on our Mississippi River ports to move their crops to market. The president's fiscal year 2015 budget significantly underfunds Greenville Harbor, Rosedale Harbor, Vicksburg Harbor, the Mouth of the Yazoo River, and the Claiborne County Port. The funding provided is only sufficient enough to conduct surveys, rather than maintenance dredging itself. Without additional funding, these harbors will lose project dimensions during harvest season which will negatively impact a wide range of businesses and individuals involved with the agricultural sector.

Does the Corps take into consideration the harmful economic impact of light loading barges during peak harvest time when the Mississippi River is generally at its lowest?

Answer. Yes.

FLOOD RISK MANAGEMENT IN PEARL RIVER WATERSHED

Question. The Rankin-Hinds Pearl River Flood and Drainage Control District has been working for quite some time on developing a comprehensive flood risk management solution for the Jackson Mississippi metropolitan area. Following the 1979 Easter flood of record, it became clear that Jackson is vulnerable to significant flood risk issues. The area has experienced major flooding numerous times since then. In fact, the river is currently at flood stage.

Currently the flood control district is working with the Vicksburg district of the U.S. Corps of Engineers to conduct feasibility and environmental impact studies with non-Federal funds in hopes of expediting this important project. A solution is critical to our State. Jackson is the State capitol and home to the highest density population in the State.

Although the flood control project is in the early stages of development, it remains very important to the Jackson metropolitan area. As things move forward, would you be willing to work proactively with the Rankin-Hinds Drainage Control District to help them find a solution for Jackson's flood risk problems?

Answer. The Corps is providing technical assistance pursuant to the July 19, 2012 Memorandum of Agreement with the Rankin-Hinds Pearl River Flood and Drainage Control District. In this capacity, the District's technical assistance may include participation in meetings to help develop the scope of the feasibility study, evaluate alternatives, as well as, participation in In-Progress Reviews, National Environmental Policy Act coordination and Agency Technical Review.

Question. Specifically, will you respond to their data as they conduct the study and will the Corps provide vertical management of this report?

Answer. In addition to the Corps providing technical assistance during the study, once the Rankin-Hinds Pearl River Flood and Drainage Control District submits the report to my office, both the Corps Headquarters and my office will review the report.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

SMALL PORTS DREDGING

Question. I would like to thank you for the funding for the maintenance dredge for the Royal River that was announced just a few weeks ago. I can assure you this announcement was warmly received by my constituents.

As you know, there remains a great need in my State and others around the Nation when it comes to the dredging and maintenance at our small ports and harbors. We need to pay careful attention to ensure the water infrastructure needs of all States are met.

Ports and harbors are the economic lifeblood for many small or rural communities, and funding for the maintenance dredging is critically important to supporting these efforts, a fact not fully accounted for under the Army Corps' budget metrics, which tend to favor larger ports.

I would like to highlight the \$40 million for Operations and Maintenance projects at “small, remote, or subsistence navigation” harbors and waterways that the fiscal year 2014 Omnibus Appropriations bill set aside this year—an increase of \$10 million over the previous year. I understand there is a \$300 million backlog of operations & maintenance projects in New England alone. These additional monies are welcome indeed, but, certainly not enough to meet all the needs in my State and throughout the country.

There are two small projects in DownEast Maine—Beals Island and Pig Island Gut—that were last dredged in 1957 and 1965, respectively. Used primarily by lobster boats, Pig Island Gut and Beals Harbor is also used by boats engaged in the harvesting of herring, clams, periwinkles, mussels, and seamoss.

There are about 115 commercial fishing boats that are regularly moored around Beals Island and about 100 regularly moored at the Pig Island Gut anchorage. Coast Guard Station Jonesport frequently launches out of Beals Harbor as well. At present, the boats moored there cannot safely return to port during low tide. The entire economy of the area is based on these fisheries, and yet the harbors have not been dredged in over 50 years.

The dredging of these two harbors is critically important to the economies of both communities.

Recognizing that funding is limited, what recommendations do you have for the Harbor Master to help ensure these projects are as competitive as possible should funding become available?

Answer. Changes in channel conditions should be reported promptly to the New England District Office as should the economic benefits and impacts of the projects. Any waterborne commerce should be reported to the Corps Waterborne Commerce Statistics Center.

CAMP ELLIS SHORELINE

Question. The Army Corps built a jetty at Camp Ellis in Biddeford, Maine, which has caused massive erosion of the shoreline and destroyed more than 36 homes during a series of major storms.

The beachfront continues to erode as the city of Biddeford and the Army Corps have worked to find a solution to this problem over the past 20 years. The Corps and city are preparing to execute a project partnership agreement that will detail how the repairs will be maintained following the restoration project.

Recently, this project has been delayed because of concerns about the impact on Piping Plover habitat.

In a recent meeting between the U.S. Fish and Wildlife Service and the Army Corps, it was agreed that there will be no adverse effects to the habitat from this project. It appears that the project will now move forward.

How do you see the timetable for this project proceeding, given that this project has taken over 20 years to get to this stage?

Answer. A formal letter concluding endangered species consultation for the Camp Ellis study is anticipated by May 31, 2014, and agreed measures will be incorporated into the final feasibility report and environmental assessment.

However, the Camp Ellis study did not recommend any action on the beach that is located south of Saco on the other side of the Saco River, as there is no evidence that the Federal navigation project has impacted the shore south of the project.

NAVIGATION DREDGING

Question. The State of Maine has 55 Federal navigation projects that require periodic maintenance dredging to allow for safe navigation. Many of these projects have shoaled and are in need of maintenance dredging. Most of these projects, however, are categorized as “low use” and do not compete well for limited Federal funds. Despite their low ranking, these projects are critical to the economy of the local communities and the State of Maine.

Does the Army Corps consider the use of non-Federal contributed funds to supplement the limited Federal budget for small use navigation projects as a potential model for the future?

Answer. Yes. Over the past few years, a number of non-Federal sponsors have provided contributed funds to enable the Corps to undertake unfunded work.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

CIVIL WORKS CONSTRUCTION PROJECTS—HOW ALASKA COMPETES

Question. Assistant secretary, thank you for the work you do in Alaska. In particular, I thank you for the recent funding of the Valdez harbor. This harbor is critical to the economic vitality of the community, State and Nation given the oil that is tanked from this Alaska pipeline terminus to refineries in Lower 48 and on to distribution. Truly, this selection was a surprise, but a welcome surprise.

Given our inability to include earmarks in our appropriations process today, we look for methods to build our harbor infrastructure within our smaller communities by including new Remote, Small and Subsistence funding for those harbors nationwide that do not compete well with ports in New York or California. I know you feel these constraints as well.

Given the constraints and cost benefit analysis used to rank port projects nationally, how do you plan to address the needs of small harbors across the Nation?

Answer. Small, remote, and subsistence harbors will continue to compete for the available funding, along with all of the programs, projects, and activities across the Nation.

Question. What assistance do you need from this committee to provide for small harbors?

Answer. The fiscal year 2015 Budget provides \$50 million for operation and maintenance work at small harbors.

KENAI BLUFF EROSION

Question. We have a town in Alaska, Kenai, whose bluff is falling into the river. Really, the senior housing facility is at the edge of the bluff. The community has the project match but an agreement is necessary between the city and the agency for a study to move forward. The process for completing an agreement has faltered for nearly 3 years. This is a community and project that is ready to go.

What can we do to get an agreement signed?

Answer. The Corps completed a 905(b) reconnaissance report in March 2014 and has prepared a technical document that will inform the feasibility effort. The Corps will now develop a scope, schedule, and estimated cost of the study. If the Corps receives funding to initiate the feasibility study, the Corps will work with the local sponsor to execute a feasibility cost-sharing agreement.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

Question. The Georgetown Harbor has been shoaling for close to a decade and has not been included in the President's Budget because it falls under the 1 million ton threshold.

How will you interpret new guidance regarding Operations and Maintenance dollars being allocated to emerging harbors as these harbors play important economic development roles within their regions?

Answer. If WRRDA 2014 is enacted, the Army will analyze and prepare implementation guidance for its provisions.

Question. What is the criteria being used in determining how to allocate maintenance funds for small, remote or subsistence harbors? As you know, Congress funded this at \$40 million in fiscal year 2014.

Answer. In allocating funding for commercial navigation, the Corps focuses on those activities that provide the greatest economic, environmental, and public safety returns to the Nation. The Corps categorizes these projects according to their level of commercial use, as high, moderate, or low commercial use projects. The Budget focuses this funding on projects that support a high or moderate level of commercial navigation traffic (coastal projects carrying at least one million tons of cargo; and inland waterways with at least one billion segment-ton-miles of traffic), which together account for roughly 99 percent of the Nation's waterborne commercial cargo.

The Budget also funds navigation projects with a low level of commercial use (coastal projects carrying less than one million tons of cargo; and inland waterways with less than one billion segment-ton-miles of traffic). For coastal channels and inland waterways with a low level of commercial use, the Corps considers a range of factors such as the need to operate and maintain locks; use of a coastal port as a critical harbor of refuge or a subsistence harbor; whether the coastal port or inland waterway supports public transportation, U.S. Coast Guard search and rescue operations, the national defense, or other Federal agency use; the reliance on waterborne

transportation for energy generation or home heating oil deliveries; and the level of commercial use (albeit less than a medium level of commercial use).

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

Question. You are likely to have several new studies and construction projects authorized under the WRDA bill currently in front of a conference committee. How will the Corps respond to those new authorizations? Would you alter your fiscal year 2014 work plan to support such projects or could the fiscal year 2015 work plan include funding for such projects?

Answer. As part of the Consolidated Appropriations Act of 2014 (Public Law 113–76), the Corps was authorized to begin nine new study efforts in the Investigations account and four new projects in the Construction account. The fiscal year 2014 work plan, which the Army submitted to the Congress on March 3, 2014, identifies the nine studies and four construction projects that the Corps would start to fund in fiscal year 2014. The fiscal year 2014 appropriations act does not allow the Army to modify these designations, once it has submitted the work plan to the Congress. When the Congress enacts an fiscal year 2015 appropriations bill, the Corps will consider all eligible projects for inclusion in a potential fiscal year 2015 work plan.

Question. Will you consider newly authorized projects as possible candidates for any new starts that the administration or Congress authorizes for fiscal year 2015?

Answer. If Congress enacts an fiscal year 2015 appropriations bill that allows new starts, the Corps will consider all eligible, authorized studies and projects for inclusion in a potential fiscal year 2015 work plan.

QUESTIONS SUBMITTED TO HON. LOWELL PIMLEY

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

CALIFORNIA DROUGHT/WATER PUMPING

Question. I understand that Reclamation and the California Department of Water Resources (DWR) have sought permission to change water operations to capture this week's storm flows. Instead of 1,500 cubic feet per second of pumping originally called for by the biological opinions, the agencies are seeking a higher level of pumping while the storm flows last. I appreciate the fact that you are taking action to capture more water from this week's storms. That being said, I know many of my constituents are still seeking to understand the rationales behind the pumping levels you have established. The new pumping regime began yesterday, but many questions and uncertainties have been raised due to the lack of documentation. Will you commit to providing explanations today?

Answer. As of April 1, the National Marine Fisheries Service (NMFS) Biological Opinion (BiOp) (Reasonable and Prudent Actions (RPA), Action IV.2.1) requires implementation of the San Joaquin River (SJR) Import-to-Export ratio (commonly referred to as the I:E ratio, but not to be confused with the E/I ratio required in State Water Resources Control Board Decision 1641. During this drought year, the I:E ratio would be either 1:1 (SJR inflow equals combined exports) or 1,500 cubic feet per second (cfs) public health and safety pumping whichever is greater.

To capture abandoned and natural flow in the Delta as a result of recent storm events, Reclamation has sought and NMFS has concurred that, because of on-going discussions with senior technical staff and the development of the draft Drought Operations Plan and associated biological review, an increase in exports at this time is consistent with the underlying analyses of the NMFS BiOp and its RPA. As a result, NMFS stated the proposed operation is not likely to jeopardize the continued existence of California Central Valley steelhead or result in the adverse modification of their designated critical habitats, or exceed its incidental take limit. As such, the proposed operation conforms to the requirements of the Endangered Species Act and its implementing regulations.

Question. It is my understanding that Reclamation, DWR, and the Federal and State agencies have decided—for this immediate storm flow period—to begin pumping yesterday at 4,200 cfs. What are the basis for the pumping levels you have established for this storm flow period?

Answer. Senior technical staff from the five agencies (National Marine Fisheries Service (NMFS), Fish and Wildlife Service (FWS), California Department of Fish and Wildlife (DFW), Department of Water Resources (DWR), and Reclamation) have been working together to develop the biological review of the overall 2014 Drought Operations Plan. Through these discussions, senior technical staff determined in-

creasing exports to capture flow resulting from this storm event was consistent with the underlying analyses of the NMFS BiOp and its RPA. The scientific basis was provided in the supporting documentation with the 2014 Drought Operations Plan released on April 9, 2014.

Question. Reclamation's latest report stated that through March 27, the cumulative loss of winter-run chinook salmon at the export facilities is about 304, out of an allowed incidental take limit of 24,237. The estimated salvage for delta smelt is zero. Does the data support the notion that even higher levels of water pumping can occur without jeopardizing fish species?

Answer. The 24,237 authorized take limit represents 2 percent (23,928) of the juvenile-production estimate or JPE of natural winter-run Chinook salmon (WRCS) and 1 percent (309) of the Livingston Stone National Fish Hatchery winter-run Chinook hatchery production. It is a very large number when the population has lots of spawners (like last year) and is a very small number when the population has few spawners (like this coming year).

Current cumulative salvage numbers at the export facilities is not necessarily a good reflection of the risk to the species. Each salmonid species has a different proportion of the population in the Delta currently. The majority of WRCS are currently in the Delta migrating to the Bay. If exports are increased and more negative reverse flows realized, WRCS migrating through the Delta could be more susceptible to entrainment at the export facilities. The majority of spring-run Chinook salmon will enter the Delta in April and May as they migrate to the Bay. Similar to WRCS, if more negative reverse flows are realized these fish could be subject to higher levels of entrainment.

The determination of jeopardy is not based on exceeding the Incidental Take Limit (ITL), but reflects the complex multi-stressor impacts of the Central Valley Project (CVP)/State Water Project operations that influence abundance, productivity, and genetic diversity, all which will be influenced dramatically by drought conditions during water year 2014.

Question. If salvage data is not the influential factor, then what other factors influence that decision?

Answer. Salvage data along with trawl, beach seine, and fish trap data at locations in the Delta and in the Sacramento River watershed inform decisions regarding operations at the export facilities. In addition to these biological monitoring data, physical data such as turbidity, water quality (i.e. salinity), and river inflows are considered in light of their relationship to risks to species and also human consumption. During Water Year (WY) 2014, water quality and Delta outflow, which are both regulatory standards as part of California's State Water Resources Control Board Bay-Delta Plan, remain influential factors informing decisions about exports levels.

Question. What do the fish data say if water pumping were to achieve -7,000 cfs OMR flows or above?

Answer. As of today, senior technical staff has not completed a biological review of an Old and Middle River (OMR) of -7000 cfs. One could predict reverse flows of that magnitude could pull special status species into the sphere of influence of the export facility, possibly increasing entrainment later in the year.

Question. What level of pumping will be allowed after the storm flows subside?

Answer. Exports after the storm subsides will be in compliance with the State Water Resources Control Board (State Board) Temporary Urgency Change Order (Order) as well as any other BiOp requirements that are triggered. In mid-April, the State Board Decision 1641 San Joaquin I:E ratio requirement of 1:1 or 1,500 cfs public health and safety pumping will be in effect and would control operations.

Question. If Reclamation wishes to pump at levels beyond the biological opinions, what procedure or process can be used to achieve that?

Answer. Reclamation has been engaging with both FWS and NMFS to exercise flexibility to operate while maintaining compliance with the BiOps. Reclamation re-initiated consultation with the FWS under drought conditions and has been working with NMFS within the drought contingency planning portion of RPA Action I.2.3.c. The agencies will continue to work together to operate in a manner that protects species while meeting the needs of our customers.

Question. What are your constraints in doing so?

Answer. Determinations must be made as to the location and quantity of special status species within the system, including the Delta and Sacramento and San Joaquin Rivers. Processing monitoring and trawl data as well interpolating this data is required before fishery agencies can make any determination regarding flexibility in the BiOps.

Question. What other emergency measures can be implemented within your discretion to maximize water supplies without jeopardizing endangered species?

Answer. Reclamation coordinates daily with DWR and the fishery agencies to evaluate options to increase exports while providing protections for the species.

Question. And are you prepared to implement those measures immediately?

Answer. Yes, Reclamation would, in coordination with DWR and the fishery agencies, implement measures deemed appropriate as quickly as possible.

Question. How will the need for carryover storage affect the water projects' ability to export more water as opposed to storing it?

Answer. Reclamation believes current projected operations strikes the right balance between release of water this year for multiple beneficial uses and storage carried over into next year should drought conditions persist. Considerable effort has been devoted to assess the potential needs for water to serve human health and safety needs next year in the event 2015 is another critically dry year.

Question. How much carryover storage is needed going into the 2015 water year?

Answer. Based on the most current assessments, the projected carryover storage contained in the 2014 Drought Operations Plan will be adequate to supply critical human health and safety needs next year. Reclamation is also making every effort to conserve storage to make maximum use of limited cold-water reserves this year to protect several listed fish species, and to begin building cold water pools for 2015.

WATER STORAGE

Question. There has been considerable discussion, including by me, about additional storage needed in California. Just so we all understand, how far in the future are we talking about new storage coming on line assuming we make the decision to move forward on that front this year?

Answer. If the storage projects currently under study were found to be technically feasible, environmentally acceptable, and cost-effective, and decisions to move forward were made, each project would have different construction requirements and associated schedules. National Environmental Policy Act (NEPA) documents would need to be finished over the next 1 to 2 years and acquisition of the necessary land and easements would begin after that. Final designs must be prepared prior to initiating construction. The timeline to construct and bring projects on-line once the final designs are completed would likely be in the 5 to 10 year timeframe depending on funding availability for all post-authorization activities, including design, construction, and mitigation.

Question. What will it take to get all storage studies completed by the end of 2015?

Answer. Reclamation has completed public review and comment on draft Feasibility Reports for expanding Shasta Lake and increasing storage in the Upper San Joaquin River Basin. The draft Environmental Impact Statement (EIS) for Shasta was released for public review and comment last summer, and the draft for Upper San Joaquin is due out this summer. Both studies to support Federal decision-making are on-track to be completed by the end of 2015, with Shasta to be completed by the end of 2014. The North-of-the-Delta Offstream Storage Investigation (NODOS, also referred to as the "Sites Reservoir") and continued study of Los Vaqueros Expansion (LVE275) are delayed due to a lack of non-Federal cost share. Reclamation is continuing to work with State and local agencies on strategies to complete these study efforts in a timely manner.

Question. Do you see any obstacle that would delay the completion timeframe beyond 2015?

Answer. If Reclamation is required to analyze new or modified alternatives, the schedules could extend beyond 2015. There are no other known issues at this time that could delay Shasta or Upper San Joaquin storage studies. The lack of non-Federal cost share will likely delay completion of NODOS and LVE275 beyond 2015.

Question. What are those obstacles, and what can be done to mitigate or remove them?

Answer. Non-Federal cost sharing partnerships could mitigate the obstacles, particularly when cost shares are provided via timely in-kind services. Many potential cost share partners are contributing significant funding to other projects and have been impacted by the State economy, and are fully engaged in drought activities. Reclamation will continue to seek non-Federal cost share opportunities.

Question. Can you commit to completing all the studies by the end of 2015 so the projects could potentially be eligible for State funding if worthy?

Answer. As described above, Reclamation can commit to completing the studies for Shasta and Upper San Joaquin by the end of 2015. Also noted in previous responses is the lack of non-Federal cost share for NODOS and LVE275.

Study partners have agreed to add alternatives for expanding San Luis Reservoir to the San Luis Low Point Improvement Project (Low Point). The Low Point project

is part of the CALFED Conveyance Program, and reservoir expansion alternatives were eliminated from study before the potential safety issue was identified and before the current operating restrictions for the Central Valley and State Water Projects. While Reclamation and the State continue the study to correct the safety issue, by law, separate funding is needed to develop the information and designs needed to eliminate the safety issue with a larger volume of water stored behind the dam. Reclamation identified funding to evaluate a reservoir expansion alternative to the Low Point studies this year. At this time, Reclamation cannot commit to completing the NODOS, LVE275, or Low Point studies by the end of 2015.

Question. According to the Bureau of Reclamation's December 2013 appraisal study, the initial and partial construction cost estimate for expanding San Luis Reservoir is \$360 million; about two-thirds are for seismic repairs that must be done regardless of whether storage is expanded. Therefore for an incremental cost of approximately \$120 million, the project could yield additional average annual Delta exports of 43,000 acre feet. When will you initiate the feasibility studies for expanding San Luis Reservoir?

Answer. This is a correct interpretation of the initial estimates for the appraisal study. However, these estimates will likely change significantly as more information is learned through additional data collection, design, and cost estimating efforts. Initiation of a feasibility study is uncertain as neither Federal appropriations nor a non-Federal cost-share agreement are in place.

Question. Can you please share with me your overall schedule for completing the San Luis feasibility study?

Answer. A detailed schedule is being completed and a non-Federal cost-share agreement is being negotiated. Generally, the Draft Feasibility Report and environmental documents are scheduled for late Spring 2017, with the final documents completed by December 2017.

Question. The Safety of Dams Act limits expenditures to repairing dams and not creating additional water storage capability. However, there seems to be some significant cost-efficiencies that can be achieved if these goals can be integrated. Do you agree that there should be legislative changes to the Safety of Dams Act to facilitate such dual-purpose projects?

Answer. No such legislative change was included in the President's fiscal year 2015 Budget. As we continue to develop the Administration's fiscal year 2016 Budget, we will consider a broad range of issues, including legislative changes relevant to Reclamation programs. A legislative change to the Safety of Dams Act could be written to facilitate the study, planning and even construction of projects which integrate additional water storage or other project benefits with an identified dam safety corrective action. There could be potential efficiency and cost savings if a project associated with increased water storage is integrated with a Safety of Dams project. Bureau of Reclamation water projects are constructed and operated for a variety of congressionally authorized purposes. However, Reclamation projects generally require congressional approval to increase project benefits and expanding project benefits through a dam safety corrective action is explicitly prohibited by the existing language of the Safety of Dams Act. This prohibition seems to clearly indicate Congress intended funds budgeted for Dam Safety purposes should be used only for Dam Safety and not to provide water supply, hydropower, recreation, or any other type of benefit to project beneficiaries. Reclamation agrees with this expressed intent. Integration of Safety of Dams modifications with increased water storage or other project benefits would require separable appropriations and accounting, and development of new processes to implement any revision to current law. Moreover, Reclamation believes any costs associated with developing an additional project benefit should be fully borne by the beneficiaries of such additional project benefits at the time of construction and appropriate financial commitments should be documented through a cost-share agreement with the Secretary.

CENTRAL VALLEY PROJECT IMPROVEMENT ACT RESTORATION FUND

Question. The Central Valley Project Improvement Act (CVPIA) established a restoration fund which required water users, power users, the State and Federal Government to contribute towards the habitat and species restoration. Since 1992 the fund has spent \$1.4 billion on restoration activities. Though the Act intended for water and power users to make proportionate contributions, frequently that has not been the case, with power users often contributing much more. For example, this year power users expect to contribute roughly 56 percent of all CVPIA Restoration Fund receipts, double their share. Does the Bureau of Reclamation have discretion to resolve this administratively by assessing water and power contributions to the fund proportionately?

Answer. Reclamation is actively exploring options to address the issue administratively but a preliminary assessment seems to indicate that Reclamation does not have the authority to assess water and power contributions to the fund proportionate to CVP repayment responsibilities without violating provisions of the CVPIA that were enacted to ensure an appropriate amount of restoration funding, even in dry years. Furthermore, if such a change were enacted, our analysis shows this would ultimately reduce amounts available to the Restoration Fund and impact our ability to carry out the mandates under the CVPIA. Because collections into the Restoration Fund depend upon hydrology and because per acre-foot of water collections from irrigation and urban customers are fixed (although indexed) under law, shortfalls in collections in drier water years shift to power customers since they are not fixed. If collections had been limited to contractor proportionate responsibility for repayment of the CVP, it would have resulted in an estimated \$77 million less collected over the last 10 fiscal years. It should be noted in the early years of implementation of CVPIA, water users paid a higher proportion of the total collections.

Question. If not, would the administration support a legislative correction to require a proportionate assessment, fixed annual contribution, or some other solution that more fairly assesses contributions from power and water users?

Answer. The President's fiscal year 2015 Budget does not propose any changes in language from the Consolidated Appropriations Act, 2014. Reclamation is committed to continue working with all parties on implementation of the CVPIA in a way that ensures continued progress on important program elements. This requires a sufficient funding stream that is derived from the annual collections, but with recognition of the desire for equity. We will continue to review options in the future during budget formulation. We are also carefully monitoring the situation regarding collections during the extreme drought event this year, which adversely affects both water collections and the generation of power.

Depending on the approach, legislation to require a proportional assessment could smooth the volatility of funding obligations or shift obligations between power and water. However, the Department would not support legislation that would reduce the funding available to meet requirements under the CVPIA.

Question. What have been the State and Federal contributions to the Restoration fund in recent years?

Answer. From 1993 to 2013, contributions from Federal water and power contractors totaled \$915 million, including the Friant surcharge which has been directed to the San Joaquin River Restoration Program as of 2009, resulting in \$887 million available for the CVP Restoration Fund. This amount can be categorized as follows: Irrigation: \$518,288,595, M&I: \$126,281,920, and Power: \$270,789,562. Additional expenditures from Water and Related Resources (\$426 million), the CALFed Bay-Delta Fund (\$37 million), the American Reinvestment and Recovery Act (\$151 million), and a State Trust Fund (\$85 million) also contribute to meeting CVPIA requirements up through 2013 according to the draft 2013 Expenditures, Credits and Offsets (ECO) Report. The State does not contribute to the Restoration Fund, but some of the provisions in the CVPIA require a cost share varying from 25 percent to 50 percent. State contributions generally occur through in-lieu services under a Sharing of Costs Agreement for Mitigation Projects and Improvements (SCAMPI) which expires December 31, 2014. The SCAMPI requires reconciling costs upon expiration. During preliminary efforts the State identified \$230 million in cost-share from 1993-2012. The U.S. and the State have not yet agreed on the documentation required to substantiate State expenditures. The U.S. and the State are currently negotiating a new agreement for activities after the expiration of SCAMPI.

Question. Have both met their obligations?

Answer. As discussed above in response to question 18a, Reclamation and the State are still working on reconciling costs, but the State has identified nearly \$230 million in direct contributions and in-kind services.

Question. Based on the \$1.4 billion spent by the Restoration Fund to date, can you please summarize the program's accomplishments to date, future funding needs and schedule to meet the CVPIA's objectives?

Answer. From 1993 through 2013, funding sources expended for activities authorized under the CVPIA include Reclamation's Water and Related Resources account (\$426 million), the American Recovery and Reinvestment Act (\$151 million), and the Restoration Fund (\$887 million). Accomplishments working with our partners include facilitating and providing technical advice to local watershed groups for planning and implementing the restoration of anadromous fish spawning, rearing, and migration habitat; development of in-stream flow requirements and operations to support anadromous fish and water quality on CVP streams; facility modifications to manage water temperatures, provide passage, and prevent entrainment; delivery of water supplies to Federal, State, and private wildlife management areas and ref-

uges; development of water operations models; actions to support meeting the biological opinions for operations of the CVP; and support for the San Joaquin River Restoration Program, the Trinity River Restoration Program, and the Habitat Restoration Program. For all Central Valley streams for all races of Chinook salmon, the average 1992–2011 populations were 398,273 fish compared to a 1967–1991 baseline of 497,054 fish, but on streams with substantial investments in restoration by the CVPIA and our partners (Butte Creek, Clear Creek, and Battle Creek) fish populations exceeded and continue to exceed the local doubling goals despite the recent population crash due to ocean conditions. The CVPIA program assisted in constructing 44 fish screens on the Sacramento and San Joaquin Rivers and tributaries, many of which resulted in improved diversion facilities. By the end of calendar year 2016, the CVPIA will have screened all large intakes (greater than 150 cfs) on the Sacramento River. Actions in support of fisheries also substantially contribute to State efforts to manage for water quality objectives. The scope and scale of the uncertainties in actions to achieve the anadromous fish doubling goal and full refuge water supply deliveries preclude a specific funding requirement and schedule; however, Reclamation and the U.S. Fish and Wildlife Service are working with stakeholders to prioritize the limited available funding on the actions that best contribute to meeting the fish doubling and refuge water supply goals.

[The attachment follows:]

10-YEAR ROLLING AVERAGE OF CVP RESTORATION FUND (ALL YEARS) RECEIPTS FOR IRRIGATION, M&I, AND COMMERCIAL POWER CENTRAL VALLEY PROJECT

Fiscal Year	Irrigation			M&I Water			Commercial Power			Non-Fed Contributions			Total		
	Receipts	Percent	10-Year Rolling Average	Receipts	Percent	10-Year Rolling Average	Receipts	Percent	10-Year Rolling Average	Receipts	Percent	10-Year Rolling Average	Receipts	Percent	10-Year Rolling Average
1993	8,488,521	96.779	.....	282,532	3.221	.....	0	0.000	.....	0	0.000	.....	8,771,053	100.000	.....
1994	12,445,670	59.320	.....	3,062,475	14.597	.....	5,472,398	26.083	.....	0	0.000	.....	20,980,543	100.000	.....
1995	19,653,199	58.558	.....	3,326,054	9.910	.....	10,582,808	31.532	.....	0	0.000	.....	33,562,061	100.000	.....
1996	33,963,427	72.533	.....	4,532,763	9.680	.....	8,328,838	17.787	.....	0	0.000	.....	46,825,028	100.000	.....
1997	28,285,292	77.131	.....	6,441,240	17.564	.....	1,945,430	5.305	.....	0	0.000	.....	36,671,962	100.000	.....
1998	16,735,441	67.943	.....	3,050,510	12.385	.....	4,845,695	19.673	.....	0	0.000	.....	24,631,645	100.000	.....
1999	31,450,074	64.578	.....	6,339,033	13.016	.....	10,911,746	22.406	.....	0	0.000	.....	48,700,853	100.000	.....
2000	28,518,202	60.684	.....	6,487,597	13.805	.....	11,989,179	25.512	.....	0	0.000	.....	46,994,978	100.000	.....
2001	27,658,904	62.749	.....	5,560,639	15.399	.....	6,891,001	19.083	.....	1,000,000	2.769	.....	36,110,545	100.000	.....
2002	24,668,330	47.668	63.906	6,525,177	12.609	12.847	20,556,612	39.723	22.965	0	0.000	.....	51,750,118	100.000	.....
2003	27,019,792	56.451	62.269	5,034,994	10.519	12.779	15,809,615	33.030	24.698	0	0.000	.....	47,864,401	100.000	.....
2004	27,196,590	71.043	63.236	6,903,465	18.033	13.175	4,181,758	10.924	23.346	0	0.000	.....	38,281,814	100.000	.....
2005	32,737,905	56.861	62.754	5,873,948	10.202	13.034	18,963,247	32.937	23.983	0	0.000	.....	57,575,099	100.000	.....
2006	33,853,402	61.696	61.590	7,529,892	13.723	13.473	13,488,271	24.582	24.711	0	0.000	.....	54,871,565	100.000	.....
2007	28,062,780	70.013	61.070	6,652,464	16.597	13.417	5,366,834	13.390	25.288	0	0.000	.....	40,082,078	100.000	.....
2008	17,478,762	33.025	57.590	8,436,749	15.940	13.752	27,011,088	51.035	28.447	0	0.000	.....	52,926,599	100.000	.....
2009	18,692,314	31.460	53.694	6,188,421	10.415	13.418	34,536,089	58.125	32.682	0	0.000	.....	59,416,823	100.000	.....
2010	31,260,772	65.169	54.150	6,026,431	12.563	13.296	10,681,594	20.268	32.348	0	0.000	.....	47,968,797	100.000	.....
2011	30,438,715	51.419	53.224	7,797,695	13.172	13.133	20,960,452	35.408	33.643	0	0.000	.....	59,196,862	100.000	.....
2012	26,821,459	45.077	52.843	11,816,747	19.860	13.958	20,862,633	35.063	33.198	0	0.000	.....	59,500,839	100.000	.....
2013	17,859,043	40.889	51.490	8,413,096	19.262	14.730	17,404,274	39.848	33.779	0	0.000	.....	43,676,413	100.000	.....
Total	518,288,594.63	56.559	.....	126,281,920.44	13.781	.....	270,789,561.78	29.551	.....	1,000,000.00	0.109	.....	916,360,076.85	100.000	.....

Fiscal Year Capital Costs	Irrigation		M&I Water		Commercial Power		Capital Costs Data	
	Receipts	10-Year Rolling Average	Receipts	10-Year Rolling Average	Receipts	10-Year Rolling Average	Receipts	Percent
1993–2002	14,486,575,554	60.031	4,610,396,615	19.105	5,034,866,339	20.864	24,131,838,508	100.000
1994–2003	14,632,880,488	60.126	4,552,428,315	18.706	5,151,536,987	21.168	24,336,845,790	100.000
1995–2004	14,746,727,751	60.275	4,473,508,093	18.285	5,245,527,205	21.440	24,465,763,049	100.000
1996–2005	14,849,152,166	60.419	4,389,655,764	17.861	5,338,023,815	21.720	24,576,831,745	100.000
1997–2006	14,951,521,682	60.624	4,304,226,069	17.452	5,407,051,351	21.924	24,662,799,102	100.000
1998–2007	15,030,984,263	60.843	4,216,611,404	17.068	5,457,134,543	22.089	24,704,730,210	100.000
1999–2008	15,092,295,014	60.797	4,174,222,599	16.815	5,557,613,187	22.388	24,824,130,800	100.000
2000–2009	15,134,750,359	60.715	4,138,874,526	16.604	5,653,754,512	22.681	24,927,379,397	100.000
2001–2010	15,141,844,018	60.596	4,084,990,814	16.348	5,761,288,940	23.056	24,988,123,772	100.000
2002–2011	15,158,866,330	60.277	4,039,444,885	16.062	5,950,484,470	23.661	25,148,795,685	100.000
2003–2012	15,205,203,246	60.084	3,973,320,671	15.701	6,128,035,195	24.215	25,306,559,112	100.000

DRAINAGE

Question. Could you explain the drainage issue with Westlands addressed in your budget?

Answer. On November 13, 2013, the Court granted Westlands’ unopposed Motion for an orderly suspension for implementation of Revised Control Schedule (November 4, 2011) (R–Schedule) activities specific to providing drainage service to the central sub-unit of Westlands for a period of 6 months, to allow Westlands and the Federal Defendants to continue discussions toward a potential settlement of drainage within Westlands. On April 30, 2014, the Court granted Westlands’ unopposed Motion seeking a 6 month extension to the partial suspension of the R–Schedule. In an effort to continue settlement discussions, Reclamation consented to the granting of Westlands’ Motion with the caveat that the Motion be granted on the same terms as those adopted in the November 13, 2014 Order. Reclamation intends to brief members of Congress, other interested parties, and stakeholders on a proposed settlement based on the terms and conditions of the Draft Principles of Agreement, and is in the process of scheduling the first briefings of members of Congress. Negotiations are proceeding with the drafting of a proposed settlement agreement.

Concurrent with the discussions with Westlands referenced above, Reclamation continues parallel discussions with northerly San Luis Unit (SLU) districts—San Luis Water District, Panoche Water District, Pacheco Water District (collectively, the “Northerly Districts”)—as well as with the Panoche Drainage District, on a potential settlement of drainage in those districts’ service areas.

Question. It is my understanding that funds normally used for drainage have been used for higher priority items while negotiations on the drainage issues continue. Can you give me a better understanding of what is being discussed?

Answer. Specific programs included in the fiscal year 2014 budget were reprogrammed as directed by the July 28, 2014 memo identifying specific programs for reprogramming. The majority of these programs were in California and others were distributed in other regions based on their priority needs. Reclamation’s fiscal year 2015 budget includes funding to address the need to consider Court Ordered Revised Control Schedule activities that support the Demonstration Treatment Plant as well as the potential for the re-initiation of drainage activities in Westlands in the event negotiations are unsuccessful. Given the progress in the negotiations and other factors, the funding levels for fiscal year 2015 were reduced from the amounts identified on the Revised Control Schedule as originally filed with the Court which are less than the levels identified in the Control Schedule filed with the Court. Also, the April 30, 2014 Court Order confirmed that, during the partial suspension of the implementation of the Revised Control Schedule, Reclamation may redirect a portion of appropriations designated for drainage activities within Westlands to other high priority activities. However, the Court cautions the parties that further extension requests will be viewed with disfavor and must be supported by specific showings of progress toward settlement and absence of harm to the public interest resulting from further delay.

SITES RESERVOIR

Question. The Committee has indicated its interest in accelerating the completion of the CALFED authorized storage studies and getting to a decision about whether to construct these new water storage facilities as soon as possible. The budget request does not reflect any particular urgency to see these studies completed. For ex-

ample, Reclamation has budgeted only \$100,000 in fiscal year 2015 for work on the Sites Project. That does not seem sufficient to meet the optimum schedule for completion of this work. The Sites Project Joint Powers Authority and others believe the Final Feasibility Study and the Final Joint EIR/EIS on the Sites Project can be completed by June 30, 2015. Can you tell the Subcommittee what additional resources you intend to commit to this effort in fiscal year 2014 and what additional resources are needed in fiscal year 2015 in order to meet that June 30, 2015 target date for the completion of the Final Feasibility Study and Final Joint EIR/EIS?

Answer. Reclamation and the State of California agreed to cost share the CALFED storage projects at a program level. As planned and agreed, the State was to be the primary funder of the Sites project, expending four-fold over Federal expenditures. Other than bond funding provided to the Sites Joint Powers Authority, the State ceased funding Sites in 2010. Reclamation did not request additional appropriations to maintain the Sites project schedule for two reasons: (1) Reclamation policy required a minimum of a 50 percent non-Federal cost share for all feasibility studies; and (2) The State legislators and voters approved the framework for a large "Water Bond". The amount and makeup of the total bond fund that was to be established separately in 2010, was delayed to 2012, and again delayed to 2014. Reclamation's Commissioner approved a limited waiver to the cost share policy through 2017. At this time, Reclamation is focusing planning efforts on Shasta and Upper San Joaquin. The fiscal year 2015 funding request is sufficient to meet the scheduled milestones for these studies.

Question. This project is estimated to generate over 500,000 acre-feet of water each and every year, and it will allow the CVP and the State Water Project to keep an additional 1.3 million acre-feet of usable water in storage, in Sites and the other existing Federal and State reservoirs north of the Delta, at the end of each year. Can you provide the Subcommittee with the steps Reclamation can take to expeditiously complete work on the Sites Project studies and the studies on the other CALFED storage projects?

Answer. Reclamation is on track to complete studies to raise Shasta Dam and increase storage in the Upper San Joaquin River Basin. Due to cost sharing requirements, funding increases for non-Federal participation are needed for Sites and Los Vaqueros.

Question. How is Reclamation weighing the pros and cons of each of the CALFED storage projects?

Answer. Reclamation's analysis follows the process outlined in the Principles and Guidelines for Water and Related Resources Development. Each project includes two primary objectives: water supplies and ecosystem enhancement.

Question. Specifically: How is Reclamation calculating the public benefits for each of the CALFED storage projects and are they being calculated equally?

Answer. Reclamation is following the process described in the Principles and Guidelines for calculating all benefits from all four storage studies currently underway. In addition, Reclamation is providing input to the California Water Commission as they develop State guidelines for identifying and quantifying public benefits.

Each project is unique in the benefits provided and/or the information available to calculate the benefits. For example, a population-level model of existing anadromous fish populations is available to help quantify the benefits of providing additional cold water in the Sacramento River below Shasta Dam. However, the benefits of cold water releases from Friant Dam cannot be calculated in the exact same way because the anadromous fish population does not currently exist in the San Joaquin River between Friant Dam and the Merced River.

Question. Are the cold water and salmon protection values for Temperance Flats, for example, the same as those values for the Shasta raise project or Sites?

Answer. These studies are still works in progress, in draft form at most, and have not been completed or fully reviewed. As previously mentioned, Reclamation will follow the process described in the Principles and Guidelines (P&G) for calculating all benefits from all four storage studies currently underway. The source of information available to value environmental benefits varies from project to project due to varying existing conditions, varying least-cost alternatives, etc. As we continue working towards completion of these studies, we will apply the long-established principles and processes described in the P&G in a way that is appropriate for the unique attributes of each study.

Question. If Reclamation determines there is a Federal interest in moving forward with one or more of the CALFED storage projects, does Reclamation intend to seek Federal funding, using Reclamation's traditional approach of seeking funds to cover the non-reimbursable and the reimbursable portions of the projects?

Answer. Public Law 108-361 Sec. 103 (d) 1 (B) states "If on completion of the feasibility study . . . the Secretary, in consultation with the Governor, determines

that the project should be constructed in whole or in part with Federal funds, the Secretary shall submit the feasibility study to Congress.” If there is a determination of Federal interest and a decision to seek congressional authority for construction, Reclamation would evaluate whether to seek Federal funding, concurrent with an up-front non-Federal cost share, as part of the annual Budget process. It is also possible the State or another non-Federal entity may wish to implement one of the storage projects currently being studied, other than Shasta Dam, with no, or more limited, Federal involvement.

Question. And what are the currently projected reimbursable and non-reimbursable costs for each project?

Answer. As previously mentioned, these studies are still works in progress, in draft form at most and have not been completed or fully reviewed, and all of the following information is subject to change: Reclamation has prepared preliminary cost allocations for the Shasta and Upper San Joaquin projects. The alternatives in the draft Feasibility Reports that appeared to have the highest net National Economic Development benefits are displayed below as an example to demonstrate how costs may be allocated and then assigned to reimbursable and non-reimbursable purposes. However, final alternatives have not yet been selected for any of the projects. Further, for the Upper San Joaquin project, the potential for State bond funding was incorporated. The following tables display information from the Draft Feasibility Reports.

EXAMPLE OF CONSTRUCTION COST ASSIGNMENT FOR SHASTA LAKE WATER RESOURCES INVESTIGATION

[Dollars in millions]

Purpose/Action	Total	Cost Assignment	
		Nonreimbursable	Reimbursable
Irrigation Water Supply	132.5	0.0	132.5
Municipal and Industrial Water Supply	198.6	0.0	198.6
Fish and Wildlife Enhancement	654.9	654.9	0.0
Hydropower	84.0	0.0	84.0
Total	1,069.9	654.9	415.0

Notes:

All numbers are rounded for display purposes; therefore, line items may not sum to totals.
Subject to refinement/change during remainder of feasibility study.

EXAMPLE OF CONSTRUCTION COST ASSIGNMENT FOR UPPER SAN JOAQUIN RIVER BASIN STORAGE

[Dollars in millions]

Purpose	Reimbursable	Nonreimbursable	
		Federal	State/Local
Water Supply:			
Agricultural Water Supply Reliability	306.8	0.0	0.0
Municipal and Industrial Water Supply Reliability	360.9	0.0	0.0
Emergency Water Supply	0.0	0.0	440.8
Municipal and Industrial Water Quality ¹	0.0	0.0	0.0
Ecosystem	0.0	627.7	627.7
Hydropower	25.8	0.0	0.0
Recreation	0.0	61.9	61.9
Flood Damage Reduction	0.0	32.2	32.2
Total	693.5	721.8	1,162.6

Note:

¹Water quality improvements for specific beneficiaries are assumed to be reimbursable to Federal, State or local governments. Delta water quality improvements may be a broad public benefit and nonreimbursable. There is no Municipal and Industrial water quality benefit for the Upper San Joaquin River storage.

Subject to refinement/change during remainder of feasibility study.

Question. Can you provide the Subcommittee with a schedule of when Reclamation anticipates that these projects will come to this Congress for an authorization to construct and the timing of associated appropriations requests?

Answer. Reclamation currently estimates the Final Feasibility Reports and Environmental Impacts Statements for the Shasta Lake Water Resources Investigation

and the Upper San Joaquin River Basin Storage Investigation could be sent to Congress in the spring and fall of 2015, respectively. While we are working to complete the studies as quickly as possible, they are still in draft form and are still subject to: review from the State and other Federal agencies, a mandatory public comment period, and further review within the Administration, prior to transmittal to Congress. Decisions on any specific appropriations requests will be developed during the agency's budget formulation process. Furthermore, any appropriation requests would be contingent on decisions regarding the feasibility of the projects as well as the establishment of construction cost-share agreements.

Question. What steps is Reclamation taking to informing the project locals or the other beneficiaries paying for the water supply costs and to determine if the projects under consideration are affordable to potential project beneficiaries?

Answer. In addition to numerous public meetings, workshops, and hearings, Reclamation has established a CVP Operating Partner Forum made up of representatives from the water authorities established to operate and maintain CVP conveyance facilities. Reclamation meets with the forum frequently to discuss how new projects may be operated, may affect the operating partners, may be operated more effectively, and may be cost shared and repaid.

GENERAL QUESTIONS

Question. What Role does Reclamation see for water recycling and desalination in the future of Western water?

Answer. Water recycling offers a drought resistant water supply, since sources such as treated municipal wastewater continue to be available during periods of water shortage. For example, recycled water has proven very useful during the current drought in California as it provides a source of water without the need for additional water supplies from the Sacramento River or Bay-Delta. Desalination, although expensive, can provide drought resistant supply augmentation in appropriate circumstances. In 2013, for example, recycling and desalination projects funded through Reclamation's Title XVI Water Reclamation and Reuse Program delivered 385,000 acre-feet of recycled water, including about 350,000 acre-feet in California.

Question. Do you believe there should be a Federal role in desalination beyond the current R&D efforts through either grants or direct project construction participation?

Answer. Reclamation's current focus in this area is in addressing the existing congressionally authorized reuse projects so those projects can complete construction and begin to deliver additional water as soon as possible. The President's fiscal year 2015 Budget of \$21.5 million for the Title XVI program reflects the important role water recycling plays in efforts to work toward sustainable water management. In this tight fiscal climate, construction funding is focused on those existing reuse projects owned and operated by non-Federal entities.

Question. How does recycled water play into the future of western water supplies?

Answer. Although expensive, water recycling provides relatively valuable water, flexibility, helps to diversify the water supply, and reduces the pressure to transfer water from agricultural to urban uses. Particularly in drought-prone areas of the West, desalinated water and treated wastewater are among the most drought-proof components of the water portfolio, since sources such as treated municipal wastewater continue to be available during periods of water shortage. States such as California and Texas have made water reuse a fundamental part of their strategies to meet current and future demands.

Question. Is there any estimate of the potential water savings that could be achieved if more water recycling was done?

Answer. In its 2012 report, *Water Reuse: Potential for Expanding the Nation's Water Supply*, the National Research Council of the National Academies calculated there is a very large potential for water reuse in this country, particularly in areas where municipal effluent is discharged at coastal locations and "lost" to the ocean.

The State of California made water reuse a fundamental part of its strategy to meet current and future demands and estimates 900,000 to 1.4 million acre-feet of "new water" could be added to the State's supply by reusing municipal wastewater that currently flows to the ocean or saline bays. The 2012 Texas State Water Plan projects about 614,000 acre-feet of water per year will become available by 2060 from existing water reuse infrastructure. In addition to the existing supply, the 2012 Texas State Water Plan recommends obtaining approximately 915,000 acre-feet per year of new water supplies from water reuse strategy by 2060.

Question. (a) What would the environmental impact be of additional water recycling?

Answer. Typical wastewater discharges may cause adverse ecological effects in receiving water bodies, due to individual constituents that may arise from industrial, household, or wastewater treatment plant applications. Recycled water is treated to higher levels than typical wastewater discharges, providing additional environmental benefits to the bodies of water that would otherwise receive these discharges. However, recycled water also produces effluent with elevated concentrations of contaminants which are sometimes discharged into water bodies at higher concentrations than typical wastewater discharges. Water recycling may also reduce diversions from rivers leaving more water instream for plant and animal species that rely on surface water flows. However, as the National Research Council of the National Academies notes, some water recycling projects may affect the water supply of downstream ecosystems due to decreased return flows. All of the environmental impacts of water recycling must be considered when examining the benefits of such projects.

Question. (b) For instance, I have been told that by recycling water, rather than letting it flow unimpeded to the ocean, that we could improve near shore pollution levels by keeping those pollutants in the watershed and addressed through the recycling process. Is that benefit factored into the economics of recycled water?

Answer. Recycling water that would otherwise be discharged to rivers, lakes, or the ocean does have multiple benefits, including improving water quality by not discharging wastewater into the environment. As they plan their projects, sponsors of water reuse projects commonly perform integrated economic analyses that include qualitative factors, such as social and environmental benefits, to evaluate the full benefit of the water recycling project.

Question. Should it be a part of the analysis? Perhaps we are not counting significant environmental benefits that are provided by water recycling.

Answer. Environmental benefits are an important consideration under the Title XVI evaluation criteria used by Reclamation to identify projects for funding. Points are awarded based on the extent to which the project will improve surface, groundwater, or effluent discharge quality; will restore or enhance habitat for non-listed species; or will provide water or critical habitat for federally listed threatened or endangered species. By incorporating environmental benefits into those selection criteria, Reclamation provides an opportunity for project sponsors to articulate those aspects of their projects to ensure those benefits are part of the analysis used to make funding allocations.

Question. You have “doubled down” on your Water SMART grants proposal for fiscal year 2015. Is this primarily due to the dry conditions, or are there other reasons for this increase in grant funding?

Answer. The President’s Budget for Water SMART Grants represents a continuing recognition of the importance of water efficiency projects. Projects funded under the program are completed within 2 to 3 years, resulting in a near-term impact on water and energy conservation and improved water management. In addition, many Water SMART Grant projects make important contributions beyond water and energy efficiency, including increasing the use of renewable energy, protecting endangered species, or facilitating water markets. Interest in the program continues to be strong, with only the most competitive proposals moving forward. Each year, requests for funding are three to five times larger than available funding. The continued high level of interest in funding reflects the priority that water managers across the West place on water efficiency and other improvements to increase sustainability.

Question. What is the water savings that you anticipate could be achieved through these grants?

Answer. Water SMART Grants contribute the largest share of water savings to the Department’s Priority Goal for Water Conservation. Water SMART Grant projects, along with other programs that contribute to the Goal, are expected to result in water savings of 840,000 acre-feet, cumulatively since the end of fiscal year 2009 through fiscal year 2015. Projects funded through fiscal year 2013 have contributed 730,000 acre-feet toward that goal, and 50,000 acre-feet of water savings are expected to result from fiscal year 2015 appropriations for the contributing programs.

Question. We have made significant progress on screening major diversions to ensure that anadromous fish do not get trapped in these diversions. What is the status of this program?

Answer. Since 1992, Reclamation provided funding for the construction of 41 fish screens, which cumulatively screen over 6,000 cubic feet per second (cfs) of previously unscreened diversions in California’s Central Valley, including the Sacramento and San Joaquin Rivers and tributaries as well as the Sacramento-San Joaquin Delta. We expect in fiscal year 2014, a contract will be awarded to initiate

construction on the largest major unscreened diversion on the Sacramento River by Reclamation District RD-2035, which serves the Woodland-Davis area. A 160 cfs screened diversion on the Sacramento River for Natomas Mutual at their Pritchard Lake diversion is funded and work is expected to complete this year. There is a proposed 135 cfs diversion remaining on the Sacramento River operated by Meridian Farms, which is still under consideration for funding by the Anadromous Fish Screen Program (AFSP) if fishery benefits and cost-share issues can be worked out; and a proposed fish screen project for West Stanislaus on the San Joaquin River which is still in the planning stages. Completion of these projects would complete the diversion of all 100 cfs or greater diversions. There are scores of smaller diversions, many of which may be good candidates for screening based upon their location and the fishery benefits to be derived. These additional smaller screen projects are evaluated by Federal and State fishery biologists within the AFSP with screening costs typically being less than \$1 million per facility. The Federal Government provides up to 50 percent of the shared cost for fish screens under the AFSP. The completion of the Red Bluff Fish Screen (2500 cfs) and Passage project on the Sacramento River near Red Bluff, California in 2012-2013 was a major accomplishment.

There are also fish screen and fish passage activities underway in other regions within Reclamation. An example is the fiscal year 2015 funding request to initiate construction on the Cle Elum fish passage in the Yakima River Basin Water Enhancement Project in the State of Washington.

Question. What is the schedule for completing these projects?

Answer. According to the Fish Screens Schedule, Reclamation anticipates construction on the RD 2035 fish screen to begin in 2014 and to be completed within a 3 year period subject to the continued availability of Federal funding. Screening for the Natomas Mutual Pritchard Lake diversion is scheduled to start the summer of 2014 and be completed in 2015, subject to completing compliance under the Endangered Species Act; all funding for the project has been obligated. There are unresolved issues relative to providing Federal funding for the Meridian Farms project and that project does not have non-Federal cost-share dollars that would yet allow this project to proceed; the West Stanislaus project is not far enough along to establish a completion schedule, and they have not identified a source of funding for the non-Federal cost-share. With respect to the dozens of smaller screen projects that might be proposed for screening, we have no date for completion as we do not have information as to how many of these diversions might justify screening based upon biological benefits to be derived.

Question. The budget request for Indian Water Rights Settlements for fiscal year 2015 is \$90 million. This is up nearly 75 percent from fiscal year 2012, the first year this account appeared in your budget. These settlements made up 5 percent of your overall fiscal year 2012 request but now make up 8.7 percent of your overall fiscal year 2015 request. I am concerned that this number is rising significantly faster than your overall budget request squeezing out other work. It is important that these settlements be kept on track, however, it is also important that other work that Reclamation undertakes be kept on schedule as well. Do you see these requirements continuing to escalate?

Answer. The principal driver of the discretionary budgetary increases since fiscal year 2012 for Indian Water Rights Settlements (IWRS) is the Navajo-Gallup Water Supply Project. The fiscal year 2012 funding for the IWRS account of \$51 million was increased primarily to make sure Reclamation meets the deadline of 2024 for completion of the Navajo-Gallup Water Supply Project. If the project completion deadline is not substantially met, the Navajo Nation may submit a petition to the court to terminate the San Juan Basin in New Mexico Navajo Nation Water Rights Settlement Agreement; thereby increasing uncertainty for all Colorado River water users. Funding has increased over time from \$25 million in fiscal year 2012 to \$81 million in the fiscal year 2015 President's Budget request. Beginning in fiscal year 2020, mandatory funds will supplement annual appropriations to support completion of the \$1 billion project, but this level of annual appropriations is necessary to keep the project on schedule.

The Taos Pueblo Indian Water Rights Settlement (NM) is expected to require only one additional year of appropriations funding in 2016. The Crow Tribe Water Rights Settlement (MT) and the Aamodt Litigation Settlement Act (NM) will require discretionary appropriations into the future, but also have access to specific quantities of mandatory funds that supplement annual appropriations. The White Mountain Apache (AZ) settlement does not require annual appropriations in 2015 as mandatory funding is available under the 2010 Claims Resolution Act.

Question. If so, how will they be addressed in future budgets without impacting other Reclamation missions?

Answer. Both Public Law 111–11 and Public Law 111–291 make available significant amounts of mandatory funding to Indian water settlements. Public Law 111–291, the Claims Resolution Act of 2010, directed almost \$625.0 million in mandatory funding to projects administered by Reclamation. These mandatory funds have been received from Treasury. Most of the funds are associated with construction and they will be indexed to account for inflation. In addition, Public Law 111–11 will make available \$120 million per year between fiscal year 2020 and 2029 for a total of \$1.2 billion in mandatory funding to a broad range of current and prospective Indian water settlements.

The availability of significant mandatory funding will allow Reclamation to plan for the balanced use of discretionary and mandatory funding over a series of years. Reclamation’s future budget requests and plans will reflect the judicious application of mandatory and discretionary funding for Indian water settlements. Indian Water Settlements’ projects and activities are an important constituent of Reclamation’s overall mission and goals. In this difficult budget climate, Reclamation’s future request for their funding will provide for equity and balance throughout Reclamation’s entire portfolio of mission essential projects and programs.

Question. (a) For Title XVI projects, Reclamation has developed a competitive funding opportunity system for providing Title XVI funds rather than choosing projects to budget for as was past practice. Has this competitive system resulted in providing funds to more deserving projects?

Answer. We believe the process used to select Title XVI projects for funding has been successful at allowing Reclamation to prioritize the projects that most closely match program goals through a process that is transparent to all potential applicants and the public.

Question. (b) How?

Answer. The funding criteria Reclamation developed in 2010 are used to identify the Title XVI projects that most effectively stretch water supplies and contribute to water supply sustainability; address water quality concerns or benefit endangered species; incorporate the use of renewable energy or address energy efficiency; deliver water at a reasonable cost relative to other water supply options; and meet other important program goals. Reclamation incorporated these criteria into funding opportunity announcements used each year to invite sponsors of authorized projects to apply for funding. Proposals are evaluated against these criteria to identify projects for funding.

Question. (c) Could there be advantages to providing a few larger grants over a period of several years to provide a reliable funding stream for regional systems or does the competitive nature of the current system ensure that the most viable projects are funded regardless of their size?

Answer. We believe the current procedure does provide a reliable funding stream for projects that closely match program goals—including larger regional projects. In 2012, Reclamation made significant revisions to its funding opportunity announcements for the Title XVI Program to address feedback and to ensure the program works as well as possible and in a way that minimizes the burden on project sponsors, including sponsors of large or regional projects that may have longer construction timeframes. Sponsors may request up to \$4 million annually, which is more per project than what was made available before the use of funding criteria, as planning, design, and construction activities continue, without being required to divide large projects into shorter phases. Regional-scale projects that include multiple partners are an important part of the Title XVI Program. Reclamation’s funding criteria provide significant consideration for projects that implement a regional planning effort or include collaborative partnerships to meet the needs of a region or watershed.

Question. (a) Regional water reuse projects appear to offer the opportunity to generate very substantial amounts of additional water, relatively quickly. This Committee provided additional resources for water reuse, Title XVI in fiscal year 2014. What is being done, if anything, to advance these regional water reuse projects, which appear to offer opportunities for near-term significant additional water supplies for many of our drought stricken, water short regions?

Answer. Within the Title XVI Program, funding criteria reflect Reclamation’s assessment that regional-scale or watershed-based projects can be particularly effective at achieving results. The funding criteria addresses the extent to which a project applies a watershed or regional-scale approach, and provide significant consideration of the extent to which a project implements a regional planning effort or includes collaborative partnerships among multiple entities to meet the needs of a region or watershed. Additional resources are being made available to congressionally authorized projects that most closely match those goals, including projects that

use a watershed or regional-scale approach. Additional resources are also being made available for development of new water reuse feasibility studies.

Question. (b) Is Reclamation taking any steps to implement the guidance that the House and Senate Appropriations Committees provided in the reports to accompany the fiscal year 2014 Energy and Water Development Appropriations bill encouraging the Bureau of Reclamation to consider providing additional assistance for regional water reuse projects?

Answer. This year, Reclamation made significant adjustments to its funding opportunity announcement for development of new water reuse feasibility studies. Applicants may submit requests in one of two funding groups, including one category that allows for up to \$450,000 per study (previously applicants could only request up to \$150,000) and up to 3 years to complete the study. This adjustment allows sponsors of potential new regional-scale projects additional flexibility, a point communicated to potential applicants in the funding opportunity announcement used to solicit proposals, without a significant effect on other important program goals.

Question. What do you believe is an appropriate role for Reclamation to play in recycled and impaired water research and development?

Answer. Consistent with the 2008 National Research Council report on the role of Federal R&D investments related to advanced water treatment research, Reclamation's R&D role is to encourage investments in areas where private-sector entities are unwilling to make investments and assume risk, and where the benefits are widespread.

Question. Does your budget support these R&D efforts?

Answer. Reclamation's R&D budget requests lead to innovation and solutions that can be successfully implemented by the private and public sectors. This role includes providing funding for the identification of institutional barriers and identifying research gaps, for lab-scale testing, for pilot-scale testing, for demonstration-scale testing, and for the transfer of new technologies and solutions in water treatment.

Question. Can you give me an update on Quagga Mussel R&D? Are there any promising techniques to address this invasive species?

Answer. Reclamation R&D has been pursuing a spectrum of quagga mussel prevention and control technologies for both closed conduit and open water applications. Specific research includes:

- Biocides to eradicate mussel infestations;
- UV light technologies to prevent and eradicate mussel infestations;
- Coatings sufficiently durable to protect metal water infrastructure yet not allow mussels to attach; and
- Evaluating underwater pulse-pressure technologies as a method to prevent mussel infestations.

Significant advances resulting from Reclamation's investments in quagga mussel R&D include:

- Working with Reclamation under a Cooperative Research and Development Agreement (CRADA), Marrone Bio Innovations matured their biocide based technology into a commercial-ready product to eradicate and control infestations in small diameter conduits. Following tests at Davis Dam, the product received an EPA label for commercial use.
- Reclamation demonstrated, working in partnership with private sector consultants and industry representatives, that certain forms and dosing of commercially available UV light technologies offer an additional promising alternative for closed conduit applications.
- Reclamation has been testing commercially available coatings for their ability to prevent mussel attachments. Although many commercially available coatings were found to prevent mussel attachments, none of the coatings tested were able to provide the durability needed to adequately protect Reclamation's metal water infrastructure (e.g. gates, screens, trashracks, penstocks, pipes etc.). As such, Reclamation's Science and Technology Program entered into a CRADA with a U.S. coating manufacturer in 2014 to jointly develop and commercialize such a coating.
- Reclamation entered into a CRADA with Fluid Imaging Technologies to conduct research for improving automated detection and quantification of invasive mussel larvae (also known as "veliger"). Under the CRADA, both parties jointly improved the Fluid Imaging Technologies' FlowCAM into a new commercially available VeligerCAM to accurately count abundant organisms including mussel larvae and monitor physical larvae damage.

Question. Is Reclamation continuing to work with States to ensure water bodies not currently infested with Quagga mussels remain that way? What are the steps that Reclamation is taking to prevent the further spread of these invasive species?

Answer. Reclamation continues to work with the western States and other Federal agencies to maintain our Mussel Detection and Monitoring Program. Water samples from hundreds of water bodies are collected by both Reclamation and the States and are tested for the presence of microscopic mussel larvae. Testing is provided at no cost to the States. Water quality data is collected at the same time to improve our understanding of the susceptibility of various water bodies to mussel infestation. Reclamation shares all results with our recreation management partners to assist in their efforts to educate the public and to implement boat inspection and cleaning programs.

QUESTIONS SUBMITTED TO HON. ANNE CASTLE

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN ON BEHALF OF SENATOR
MICHAEL BENNET

Question. Assistant Secretary Castle, I'd like to raise an issue about which you and I have spoken several times, and which I know you appreciate is a top priority for both Senator Udall and me: the future of the Arkansas Valley Conduit. As you know, the conduit is a planned water-delivery system from the Pueblo Dam to communities throughout the Arkansas River Valley that will help bring clean drinking water to up to 42 municipalities, towns, and water providers in southeastern Colorado. With the water in so many of these communities contaminated and unsafe to drink, Coloradans urgently need construction on this conduit to move forward as quickly as possible.

I appreciate that the Bureau of Reclamation signed a final record of decision for the conduit in February, clearing the way for work to proceed. But I am also troubled by the Administration's decision to propose just \$500,000 in the Bureau of Reclamation's fiscal year 2015 budget.

Are the Bureau of Reclamation and the Department of the Interior committed to building the Arkansas Valley Conduit, a project that President Obama has publicly identified as a priority?

Answer. Reclamation continues to make progress in engineering design for the project. Current constrained budgets, along with competing water infrastructure needs across the West, have made it difficult to fund new large-scale projects. Reclamation continues to identify funding opportunities when they arise.

Question. Can you provide more context as to why the Administration chose only to request \$500,000 to fund the project for fiscal year 2015?

Answer. In fiscal year 2014, the Arkansas Valley Conduit received appropriations of \$1 million as well as an additional \$2 million of reprogrammed funds in order to advance the engineering design drawings, land acquisition planning, and other necessary pre-construction design work. The proposed funding level for fiscal year 2015 is a result of the constrained fiscal environment. In fiscal year 2015, pre-construction activities of data collection and engineering work for the completion of the final design will continue.

Question. And finally, with the ROD signed and with several communities now under enforcement orders to meet the standards of the Safe Drinking Water Act, can we look forward to increased support for this project in the fiscal year 2016 budget?

Answer. The Record of Decision helps make it possible for the Arkansas Valley Conduit to make the most of any funding opportunities that may become available, whether at the Federal, State, or local level. As the fiscal year 2016 budget for Reclamation is developed, careful consideration will be given to this project.

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

Question. Over the years, Congress has made it clear that it is important that rural residents have access to clean, safe drinking water. The President's fiscal year 2015 budget request for the Bureau of Reclamation's Rural Water Projects proposes a reduction of more than 50 percent from the enacted fiscal year 2014 funding, which itself falls far short of meeting the needs of the existing authorized projects. With the approach the Department is taking on these projects, it will take several decades to bring them to completion. Why does the Department appear to place such a low priority on these projects?

Answer. Reclamation recognizes current and projected appropriations may not be sufficient to fully address all of the needs and capabilities to meet the goals for every project. Consequently, as has been the case in the past, Reclamation must prioritize the allocation of its available funding—both on an annual and on a long

term basis. In response, Reclamation developed a set of objective prioritization criteria to guide its decisionmaking process in order to maximize the agency's ability to meet its programmatic goals, to maximize water deliveries to rural communities in as short a period as possible, and to reflect the diverse needs and circumstances facing each individual project. The criteria also reflect the goals and priorities identified in the statutes that authorized each individual rural water project as well as the goals of the Reclamation Rural Water Supply Act (Public Law 109-451).

Question. What steps can the Department take to help bring these authorized projects to completion in a reasonable timeframe?

Answer. Demand for funding in Reclamation's rural water projects continues to substantially outpace the available funding. Competing priorities for limited funding include obligations under valid Court orders, Indian water rights settlement funding requirements, and restoration and environmental obligations that support the continuation of provision of existing supplies. The additional funding of \$27.1 million that was made available by Congress in fiscal year 2014 was allocated to the individual projects and fully obligated as of September 24, 2014. Reclamation will work with the projects' sponsors to effectively apply all resources that are appropriated to rural water projects.

Question. The President's fiscal year 2015 budget request for the Mni Wiconi Project in South Dakota is \$12 million for operations and maintenance activities. This is the same amount that was enacted in fiscal year 2014 despite more of the Project having been completed and come into operation. Can you explain why the Bureau of Reclamation proposes a flat budget for a larger and more complex project that faces continued increases in fixed costs?

Answer. The fiscal year 2012 budget for Operation and Maintenance (O&M) activities was \$10 million. The fiscal year 2013 and fiscal year 2014 budgets were \$12 million. The increase was primarily due to the need to accomplish critical replacements, additions, and extraordinary maintenance (RAX) items. Reclamation determined the increase of \$2.0 million in the fiscal year 2013 and 2014 O&M budgets above the fiscal year 2012 budget is sufficient to allow a flat budget request for fiscal year 2015. While there has been a great deal of construction in this project over the last several years, the amount of O&M needed is not directly related to the amounts spent on construction. A great deal of recent construction involves buried pipe which requires little maintenance. Although the amount budgeted for RAX items will be less in fiscal year 2015, the budget of \$12 million is, in total, adequate to cover the routine O&M costs and the planned RAX items.

Question. Of this \$12 million, I understand that \$1.68 million will be used by the Bureau of Reclamation for its oversight of the Operation and Maintenance activities of the Project and \$500,000 for Replacement, Additions and Extraordinary Maintenance, leaving less than \$10 million for the Tribes to carry out the on-the-ground activities that keep the Project going. Can you please confirm the amount of the Mni Wiconi Project appropriation that is proposed for the Bureau of Reclamation and provide details on how that funding is used to support the Project?

Answer. Of the \$12 million requested, approximately \$1.09 million is anticipated to be used by the Bureau of Reclamation for its oversight and technical assistance, including salaries, of the O&M activities of the Project.

An additional \$646,000 will be reserved by Reclamation to provide services to the tribal programs including approximately \$213,000 for contracts (Core treatment plant crack repairs, Core system cathodic protection), equipment, and travel. \$432,000 is budgeted for the Western Area Power Administration to provide electrical power for the water treatment plant. We anticipate providing approximately \$10,264,000, to the Tribes in fiscal year 2015 which includes \$1.8 million for Replacements, Additions, and Extraordinary Maintenance (RAX). These are Public Law 93-638 contracts, and the final amounts will be subject to negotiations.

Question. As part of your response, please explain how many Reclamation employees are supported by this funding and what role they play in the operation and maintenance activities of the Project.

Reclamation has approximately 7.5 full time equivalent staff supported by this funding to provide assistance to the Tribe. Reclamation staff provides technical assistance at the Tribe's request. For example, the Tribe requested technical assistance with an optimization study (an evaluation of the water treatment plant and core systems to determine what improvements, if any, would be beneficial for efficiency, energy consumption, water quality etc.) and an automatic meter reader project. Reclamation staff also provides assistance ranging from the solicitation of services to the administration of the contracts and the development of O&M operational procedures, troubleshooting equipment, compliance with Federal water quality regulations, training operators, financial, and operational issues. Finally, Reclamation staff has just completed assistance to tribal finance with determining

available funds and repayment of disallowed cost and transfer of unallowable costs back into the program.

SUBCOMMITTEE RECESS

Senator FEINSTEIN. I think that we should have some discussions among us on a bipartisan basis as to how we might be able to be of more help, and I will leave that for the mystery of discussions to come.

So thank you very much for being here today. And the hearing is adjourned. Thank you.

[Whereupon, at 3:41 p.m., Wednesday, April, 2, the subcommittee was recessed, to reconvene subject to the call of the Chair.]